

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 18, 1935

1865 • 1935

MILLERS NATIONAL
this year celebrates its

70TH
Anniversary

AGE of itself does not confer greatness upon an institution, but it certainly tests principles and practices. . . . Time takes its toll of the weak and unprincipled . . . and at the same time it exalts the purposeful and strong. . . . Our company has stood the test of time in its unfailing service and steady growth from 1865 to this year 1935.

Today its time-tested principles and practices, appeal to our agents. The service which has stood the test of seventy years is theirs—and theirs to expect in the future. They can be justly proud to stress the significance of Millers National's 70th anniversary.

1865  1935

**MILLERS NATIONAL
INSURANCE COMPANY • CHICAGO**

Seventy Years of Service and Security

CONNECTICUT

1635

1935



TERCENTENARY CELEBRATIONS

April 26th, to October 10th, 1935

CONNECTICUT is observing its 300th birthday by keeping open house to the nation this spring, summer and fall. In every city, town and village a cordial welcome awaits you. An elaborate program of receptions, pageants, parades, music festivals, sports, exhibits and historical exercises will make your visit a memorable event.

Come and let us show you our relics of early days,

our fine old colonial homes and churches, museums, galleries, gardens, libraries, universities, colleges and private schools, great manufacturing plants, mercantile establishments and insurance companies.

As one of Connecticut's oldest, largest and best known institutions may we also remind you that the latchstring is always out at our home office, No. 670 Main Street, Hartford.

ÆTHNA INSURANCE CO. HARTFORD - CONNECTICUT

1819



116 years of Fire Insurance



1935

The National Underwriter

Thirty-Ninth Year—No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 18, 1935

\$4.00 Per Year, 20 Cents a Copy

Two Modern Steps Taken in West

Supplemental Contract Is Extended for Use on Practically All Risks

PROMULGATE NEW RULES

Merchandise & Fixture Form Is Perfected and Replaces Projected 50 Percent Pro Rata Reduction Plan

The service of stock companies in the western territory is being modernized in two important respects through rule changes which became effective in Michigan and Ohio this week and will be introduced in the other states in due course.

The so-called merchandise and fixture form with provisional amount of insurance has been simplified and improved to provide what many believe is the best solution so far advanced to the problem of handling insurance on a single location, which is subject to fluctuating insurable values.

Call Off 50 Percent Form

In view of the perfection of this form, the so-called 50 percent pro rata reduction form for single location is not to be made available in the west. That form had been approved in principle by the Western Underwriters Association as well as by governing organizations elsewhere, but it has been criticised on a good many points and since its use is practically identical to that of the modernized merchandise and fixture form, the last minute decision was to avoid confusion and stand on the merchandise and fixture form which has been enthusiastically espoused by those who have studied it, and which is expected to make a hit in the field.

The second change goes a long way towards meeting the demand for comprehensive non-marine coverage. Authorization is given for use of the so-called supplemental contract, which has been permissible for dwellings, in connection with practically all properties, except certain specified classes that are subject to unusual riot and explosion hazards.

Pro Rata Term Insurance

In Michigan, but not in Ohio, a rule has been promulgated that will greatly facilitate systematizing the insurance program of schools, religious institutions, public properties, etc. It provides for the staggering of expirations by permitting the writing of one-third of the insurance for one year at one-third of the three-year term rate, and for the writing of one-third of the insurance for two years at two-thirds of the three-year premium. This enables the assured to budget its insurance on an annual basis and get started on an orderly program without suffering the short rate cancellation penalty. Nat-

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Governing Group Weighs Several Current Topics

WHITE SULPHUR SPRINGS, W. VA., April 17.—The report of the governing committee of the Western Underwriters Association presented by Chairman J. C. Harding took cognizance of claims arising from recent dust storms, tornado policyholders making demand. These claims involve damage where dust has sifted into buildings. Some have advocated amending the standard policy to exclude dust storm losses. The report said:

"The subject was before the governing committee and consideration given to the fact that our windstorm policy does not actually exclude in specific terms this type of damage but, in all of the conditions existing, it is the judgment of the committee that he should not undertake to substitute a changed form of policy.

"Many states require approval by the insurance authorities of our forms of contract and in the face of the favorable experience on tornado business throughout all of our tornado-writing states, it would be inadvisable to introduce additional restrictions or limitations in the contract.

Experience of the Past

"In this connection it may be stated that in previous years claims for dust damage have made their appearance and adjusters have found no insurmountable difficulties in substantiating denial of liability for this character of loss, and organization adjusters in every case are refusing to entertain these claims. It remains only for member companies to be alert in order that agents or inexperienced adjusters may not submit completed proofs on claims of this nature."

The report dealt with clear agencies analyzing the situation in the various states. The announcement was made that there would be increased vigor shown in the effort to have agents still mixed to clean house.

The committee reported on the successful outcome of conferences with the Chicago Board to improve conditions. It was agreed that July 1 is the date when the W. U. A. will assume jurisdiction over Chicago and its rules will apply. The Chicago Board has passed remedial legislation but it still has some adjustments to make with certain agencies to swing them into line.

The committee referred to the removal of brand or trademark clause which reads:

"In case of damage to property bearing a brand or trademark, or the sale of which in any way carries a guarantee of the insured, salvage value of such property shall be determined after the removal in the customary manner of all brands and any trade marks which might be taken to indicate that the guarantee of the manufacturer, or insured, attaches to said property."

Some producers are attaching this clause to all policies covering merchandise.

The governing committee, after consideration of the clause ruled it objectionable and requested that instruc-

tions be given to the various audit bureaus to criticize the endorsement and follow-up these criticisms for correction.

One W. U. A. company is furnishing its agents with two sheets of carbon paper with each policy. It is stated that this entails additional expense. The committee feels that an innovation of this kind leads to other attempts and it means an increase in operating expense. The committee hopes that practices of this kind will cease.

The September meeting adopted a recommendation that the governing committee collaborate with the public relations committee with a view to providing means for carrying to field men and through them to agents and the public a better understanding of the services and facilities available only through organization stock fire companies.

The committee said:

"Your public relations committee is alive to the duty resting upon our business to embrace the opportunities which the competition of other forms of insurance is pressing upon us and feels, furthermore, that if the institution of stock fire insurance fails to justify our methods and services, we will be forced to evolve new and possibly revolutionary plans for the collection of premiums and distribution thereof in indemnities.

Plans Being Formulated

"Plans are in definite stages of development to launch this campaign of education and training in the near future even if the beginning must be made without an increase of the man power of our organization, although it must be understood that the development of public relations across the whole of the broad front of our business is an undertaking of magnitude and importance which can easily be developed into the major activity of company organization work.

March Fire Loss in U. S. Reported Only \$24,942,703

NEW YORK, April 17.—Fire losses throughout the United States last month, the National Board reports, totaled \$24,942,703, a reduction of one-half of 1 percent from the February total, but 20.34 percent below that of March, 1934. For the first quarter of 1935 aggregate losses were \$73,454,832, compared with \$90,758,426 for the same period in 1934.

The total loss last year was \$275,652,060. Tabulation of monthly loss in 1934 and 1935 is:

	1934	1935
January	\$ 28,002,583	\$23,430,504
February	31,443,484	25,081,625
March	31,312,359	24,942,703
April	22,028,943	.....
May	25,271,459	.....
June	20,005,692	.....
July	19,484,027	.....
August	19,613,146	.....
September	16,243,870	.....
October	18,236,272	.....
November	20,114,346	.....
December	23,895,879	.....
Total	\$275,652,060	.....

See Competitive Attacks Growing

Western Underwriters Association Gives Serious Thought to Various Onslaughts

HENNE AGAIN THE HEAD

Vigorous Campaign Will Be Made to Maintain Intact Agencies That Are Clear

By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS, W. VA., April 17.—This year's annual meeting of the Western Underwriters Association did not take on the intensity of interest of that a year ago when separation in agencies in excepted cities was the all important and absorbing subject. The special meeting in New York City passed legislation modifying that put in motion here last April. Therefore, that part of the picture had all been repainted.

This year's meeting was devoid of engrossing topics but in the review of the situation as presented in the address of President E. A. Henne and the report of the governing committee, there did emerge some issues that should demand the attention of organized companies and agents.

Some Competitive Features

The most vital subject brought to the attention of the membership concerned certain competitive phases that in a way tend to undermine conservative practices that have proved successful. The installment premium paying method has been popularized by outsiders, both stock and mutual. It has grown in favor and has been difficult to combat.

The mutuals have extended their wings far and wide. We have those of size and age that have become national in their operations. Others that have been rather limited in their territory have broken down state lines. Specialty mutuals have become general writers. These companies are seeking not only fire and tornado but automobile and other classes. They are making a drive for preferred groups and are offering some discounts in rate or allowing liberality in provisions that have an appeal.

Edge In on Local Agencies

Not only are these companies seeking new worlds to conquer so far as choice risks and profitable classes are concerned but they are in many cases invading stock agencies and thus under the family roof seduction is employed. This is considered a most insidious trend. It brought up the question forcibly to the minds of members as to the wisest and most effective method of warding off these attacks; members begin to appreciate as never before the desirability of simon pure clear agencies. From the tenor of the governing committee's report, all inferred that

(CONTINUED ON PAGE 14)

Esmond Ewing Is Placed at Helm of Travelers Fire

R. D. SAFFORD IS CHIEF AID

Ewing Becomes Vice-president and Secretary—Safford Vice-president and Assistant Secretary

Esmond Ewing, who last summer was appointed vice-president of the Travelers Fire, has been appointed vice-president and secretary, succeeding the late Robert H. Williams, and Robert D. Safford, also appointed vice-president last year, has been made vice-president and assistant secretary.

Mr. Ewing, a native of Nashville, entered the business with the local agency of W. D. Gale & Co., in that city after completing his education at the University of the South at Sewanee, Tenn., and Vanderbilt University at Nashville. He took up field work as special agent of the Royal in Tennessee, Alabama, and Arkansas, and joined the Travelers Fire as district manager at Atlanta in 1925. In 1927 he was called to the home office as manager of the southern department; and later that year was elected secretary of the southern department.

Mr. Safford entered the business as a clerk in the home office of the Michigan Fire & Marine in 1902. He rose through the ranks to chief examiner, and in 1910 was made Indiana and Ohio special agent. In 1915 he was transferred to the Michigan field, and in 1916 was appointed Michigan state agent of the Liverpool & London & Globe. In 1921 he was advanced by that company to the position of assistant western manager at Chicago, and in 1922 he was made assistant western manager at Chicago of the National. He joined the Travelers Fire at the time of its organization as manager of the western department at the home office and in the latter part of 1927 was given charge of the newly created agency department which he has since headed.

Extend Charter Oak Time

The Connecticut assembly has given the Charter Oak, a subsidiary of the Travelers, until June, 1937, to organize. This company was chartered by the 1931 legislature. John C. Blackall, chairman of the insurance committee, explains that the company has not been organized before because of the depression.

Crellin Heads the Pond

OMAHA, April 17.—At the annual election of the Blue Goose Earl L. Crellin was elected most loyal gander; W. P. Blinn, supervisor; R. E. Glass, custodian; George W. Owens, guardian; Gordon M. Beals, keeper, and Earl V. Neuberger, welder. Delegates to the grand nest meeting will be August H. Brown and W. P. Blinn.

Hail Adjusters School

The Southeastern Hail Conference held an adjusters school in Atlanta attended by about 25 company men and adjusters.

Three Men Are Sentenced

As a result of the fraudulent claim investigation in Akron, Cleveland and Youngstown, O., A. E. Blackburn, insurance adjuster, was sentenced to three and a half years in the federal penitentiary at Lewisburg, Pa., Joseph Solomon, attorney, to three years in penitentiary at Chillicothe, O., and H. B. Levy, assured, to six months in the penitentiary at Milan, Mich.

Howard L. Marshall, who recently resigned from the North America to enter the agency business in Abilene, Kan., announces the arrival of Charles Richard Marshall.

Travelers Fire Men Advanced



ESMOND EWING



ROBERT D. SAFFORD

Due to the death of R. H. Williams, the official personnel of the Travelers Fire has been recast by the election of Esmond Ewing as vice-president and

secretary and Robert D. Safford as vice-president and assistant secretary. Both had held the title of vice-president since last year.

Minnesota Field Meeting to Wait for Bass Season

MINNEAPOLIS, April 17.—Definite arrangements for the annual meeting and frolic of three Minnesota field organizations are being held up pending establishments of the bass season in this state. A committee of the Minnesota Underwriters Association met this week to discuss the matter but it was decided to defer action a week or two. The Minnesota Blue Goose and the Minnesota Fire Prevention Association always hold their annual meetings at the same time. Usually they are held late in June at Alexandria, Minn., but this year there is some sentiment for going to another place, possibly Brainerd.

H. G. Stellwagen, Rochester local agency proprietor, has entered voluntary bankruptcy with liabilities of \$37,085 and no assets.

Westchester County Agents Name Murray as President

TUCKAHOE, N. Y., April 17.—At the annual meeting of the Westchester County Association of Insurance Agents, P. A. Murray, senior member of the Murray, Schoen & Morgan agency, Mt. Vernon, was elected president. He succeeds B. B. Riley of Tuckahoe. Other new officers are W. T. Preston, Yonkers, vice-president, and Franz Sigel, Scarsdale, secretary-treasurer. Directors for the coming year are J. K. Crawford, Mount Vernon; A. J. Dealy, New Rochelle; R. W. Mackenzie, Yonkers; P. W. Parker, White Plains; B. B. Riley, Tuckahoe; Israel Streger, New Rochelle, and R. J. Toedt, New Rochelle.

T. L. Bond Is Dead

T. L. Bond, head of the T. L. Bond Agency of Atlanta, died following an extended illness.

THE WEEK IN INSURANCE

Annual meeting of the Western Underwriters Association was held this week at White Sulphur Springs, W. Va. Page 1

Merchandise and fixture form is modified in important respects and supplemental contract is authorized for attachment to policies covering practically all types of properties in Michigan and Ohio. Page 1

Report of the Western Underwriters Association governing committee. Page 1

Features of the address of President E. A. Henne before the Western Underwriters Association annual meeting. Page 3

Promise of compromise of the prolonged Missouri rate case is now held forth as a result of negotiations being conducted between the companies and the state officials. Page 4

Fines of \$10,000 against Automobile and Travelers Fire are rescinded by the New York Fire Insurance Exchange. Page 12

Mid-year meeting of Illinois agents is concerned chiefly with the proposed code. Page 3

National Automobile Underwriters Association approves action of members in rejecting claims for dust damage to interior of motors. Page 2

Hearings on Illinois insurance code are resumed by lower house of legislature. Page 3

Louisiana agents hold annual meeting. Terrell Woosley elected president. Page 4

The Reliable Fire of Dayton, O., this year is celebrating its 70th anniversary. Page 14

R. P. Barbour discusses rating and commissions at Boston meeting. Page 12

Esmond Ewing and Robert D. Safford are advanced by the Travelers Fire. Page 2

State department frowns on Hobbs bill following diplomatic protest. Page 35

Lincoln Fire is to be converted into exclusively a reinsurance company and the Eagle, Star & British Dominions is no longer an outside running mate. Page 17

Illinois supreme court holds section 1 of occupational disease act unconstitutional. Page 35

Special gatherings held in all the larger cities to start off National Accident and Health Insurance Week. Page 35

London Lloyds criticised by Stewart. Page 36

Auto Body O.K.'s Rejection of Damaged Motor Claims

BUT EXTERIOR LOSS COVERED

Dust Damage of Any Nature Will Be Recognized Under Comprehensive Automobile Policy

NEW YORK, April 17.—Approval of the action previously individually taken by members of the National Automobile Underwriters Association in refusing to admit liability for damage to automobile motors caused by dust storms in the middle west was given by directors of the organization at their meeting here. Claims for the pitting of windshields or for serious damage to paint on the body of cars will be recognized, but not those alleging damage to the mechanism through the action of accumulated dust.

Prior to the gathering of the directors it was thought that in the absence of any rule of the association dealing with the situation, a governing regulation might be adopted. The suggestion, however, failed to meet favor, the prevailing opinion being that such storms might never happen again, at least not to anything like the same extent, and no good purpose would be served through the enactment of special legislation.

General Exchange Position

While all general automobile writing companies have policies in force throughout the dust storm area, the General Exchange of this city has far and away the greater number. Its management has taken the same position with respect to claims in such connection as the companies generally, and will stand squarely with them in refusing to concede liability.

Under conditions of the comprehensive form of policy, claims for damage of whatever character will be admitted. The number of such contracts in force in the central western field, however, is limited. Incidentally, it may be stated that the companies as a whole are getting a liberal education on this type of policy, and many executives believe there will be a sharp overhauling of its conditions will be conducted soon. The dust storm issue has concentrated attention on the policy and it is being criticised on many scores by insurance people.

LOSS ASSOCIATION DISCUSSION

Attendance at the meeting of the Western Loss Association in Chicago Tuesday was exceptionally large due to the fact that the dust claim situation was under discussion. Because of the fact that the Western Underwriters Association was in annual session and was also considering the problem, the loss association refrained from taking any definite position.

The companies are turning down damage to interiors of motors under the tornado policy, but there is a difference of opinion as to the liability under the comprehensive automobile policy. Some contend that even though this policy is called an all-risk contract it is not as broad as the ordinary all-risk marine policy and merely includes protection against specified perils. They say that if there is no liability on account of dust damage to interiors of motors under the tornado policy there is no liability under the tornado item in the comprehensive form.

However, others take an opposite view and say that the comprehensive form does cover such claims.

None of those attending the loss association meeting reported having met much resentment as the result of rejecting claims.

J. H. Hahn and Frank Stouffer of Hahn & Stouffer, Colfax, Ia., have been presented a 25-year service certificate by the Hanover Fire.

Resume Hearings on Illinois Code

**Battle Between Palmer and Doyle
Is Renewed at Spring-
field**

MANY ISSUES INVOLVED

**Casualty Companies Join More Vigor-
ously in Urging Defeat of
the Measure**

SPRINGFIELD, ILL., April 17.—Hearings on the proposed Illinois insurance code were resumed here Tuesday evening before the house as committee of the whole. The principal speakers were J. H. Doyle, general counsel of the National Board; A. V. Gruhn, general manager American Mutual Alliance, and Insurance Director Palmer.

Mr. Doyle contended the code gives extra territorial powers. He reiterated his objection to the investment section, to the requirement for examination of agents and the prohibition against reinsurance in nonadmitted companies.

Representative McClure suggested that the code go over until the next session of the legislature. This drew the fire of Mr. Palmer and Chairman Fitzgerald of the insurance code commission who said they had worked on the code more than a year and it was the best that could be drafted. Mr. Palmer criticised the National Board attack on the code as belated and intended to delay action.

The last senate open hearing on the code will be held April 24.

During the session Mr. Palmer stated that London Lloyds, under the code, would be required to deposit a million dollars in securities.

At the beginning of the noisy and somewhat confused hearing in the Illinois house last week, with the entire membership sitting as a committee of the whole to consider the proposed new Illinois insurance code, Mr. Palmer issued a brief statement explanatory of the code and its principal functions.

(CONTINUED ON PAGE 46)

Mid-Year Parley of Illinois Agents Centers About Code

BIG ATTENDANCE REGISTERED

**Urge Support of Code With Amend-
ment as to London Lloyds—
Palmer Gives Address**

By H. J. BURRIDGE

More than 200 members of the Illinois Association of Insurance Agents gathered at Springfield last week to attend the mid-year meeting which was called primarily to clarify and record the association's attitude toward the proposed Illinois insurance code. It was one of the best attended meetings in the history of the organization, and attracted many field men and company officials who were in Springfield to attend the legislative hearings on the code. The banquet which climaxed the activities of the day, was a record breaker, there being more than 400 on hand to hear the featured speaker, Ernest Palmer, Illinois insurance director.

President Alvin S. Keys of Springfield expressed the attitude of the association toward the code when he said in his opening address, "We believe that the new code, with the adoption of certain constructive amendments, including in particular, the amendment which we favor to the foreign Lloyds section, warrants the support of our members and that the Illinois Association of Insurance Agents should stand squarely for an improvement in the insurance laws of this state."

Discussion Is Prolonged

There was a prolonged discussion of the code, a number of the agents asking for explanations and further enlightenment. Some objected to the Illinois association giving a blanket endorsement to the code without the membership as a whole understanding all of the disputed sections. This resulted in President Keys and others clearing up in the minds of members the meaning of the amendments demanded by the National Board and an outline of why the department opposes the National Board's suggestions.

The resolution that was finally adopted was so worded as to avoid an endorsement of any code that might be adopted. The resolution read in part, "We therefore reiterate our faith in our executive, legislative and administrative officials, and in the intent and purposes of the proposed legislation. It is our belief that the enactment of

Commissioner Dead



B. W. GEARHEART

Bert W. Gearheart, former Ohio insurance commissioner, died of apoplexy Tuesday morning at his home in Columbus. He was stricken Sunday, pneumonia setting in later and hastening his death. Mr. Gearheart was 58 years of age and was a graduate of Ohio State University law school. He was counsel for some time for the American Insurance Union and also represented a number of insurance organizations and companies.

proper insurance regulations will establish confidence in Illinois insurance institutions, which will thus be enabled to receive and retain their due proportion of the national outlay for insurance. This should place Illinois in the front ranks with such states as New York, Connecticut, Massachusetts, New Jersey and other leaders where there are now domiciled not millions but billions of concentrated insurance capital and reserve."

Mr. Keys indicated the officers of the Illinois association were not at all pleased with the course that the companies had pursued in approaching the code problem when he said, "It will interest you to know that the companies have failed to bring to the attention of the Illinois Association of Insurance Agents their desired amendments, and have completely disregarded

(CONTINUED ON PAGE 32)

Serious Problems Are in the Field

**Western Underwriters Association
President Points Out
Some Issues**

OUTSIDERS ARE ACTIVE

**Mutual Competition Is Intensifying and
Installment Plan of Premium
Payments Growing**

WHITE SULPHUR SPRINGS, W. VA., April 17.—At the annual meeting of the Western Underwriters Association, E. A. Henne, head of the America Fore western office, in his presidential address, touched on some of the issues and showed a grasp of their scope in his comment. The topics chiefly featured were the installment payment of premiums, mutual and other outside competition, the effort of nonmembers to edge in on clear agencies, the adjustment of agency relations at Chicago and the necessity of W. U. A. companies marching closely in line, and facing the enemy unitedly.

New Forms of Competition

He called attention to the competition in new forms saying that the business is being attacked with increasing intensity. Premiums have been filched from organized companies. He sees one ray of hope, saying:

"There is perhaps one new and favorable sign observable and that is the inclination of organized agents to studiously appraise the nostrums and innovations advanced by companies and concerns which have no interest or obligation to foster and maintain a sound and orderly policy and practice to provide agency facilities to take care of all insurable properties. If out of the plague of pestilential competition there emerges a better mutual understanding and closer cooperation between organization companies and organized agents then we may know that honor, order and organization are victorious."

President Henne did not minimize the practice of installment premium

(CONTINUED ON PAGE 10)

WESTERN UNDERWRITERS OFFICIALS AT MEETING



**ERNEST A. HENNE, Chicago
President**



**WILFRED KURTH, New York
Vice-President**



**A. F. POWRIE, Chicago
Vice-President**



**CHARLES F. THOMAS, Chicago
Secretary**

Woosley Elected President of Louisiana Association

QUAID AND DODGE SPEAKERS

Strong Plea for Stock Insurance Voiced—Agency Qualification Action Is Held Up

NEW OFFICERS ELECTED

President—Terrell Woosley, Lake Charles.

Vice-president and chairman executive committee—Thomas C. Grace, Baton Rouge.

Secretary-treasurer—Carroll S. Mayer, Baton Rouge (reelected).

Manager—R. L. McClelland, Baton Rouge (reelected).

Strong pleas for stock insurance and sole representation of stock companies were voiced at the annual meeting of the Louisiana Insurance Society in Lafayette by William Quaid, vice-president of the Southern Fire of the Home group and Albert Dodge, Buffalo, National Association of Insurance Agents executive committeeman.

Terrell Woosley, Lake Charles, was advanced from vice-president to succeed Alphonse Davis of New Iberia as president.

Resolutions were adopted favoring the proposed federal law to deny the mails to unlicensed carriers, urging public boards and bodies having jurisdiction over the insuring of public property to place insurance only in companies charging rates fixed by the Louisiana insurance commissioner, endorsing finance companies that finance the premiums of stock companies only.

Oppose Action on Qualification

The question of agency qualifications came up for consideration and J. E. Hassinger of New Orleans opposed any action, saying that if a qualification law was passed it would be necessary to have some one to administer it and that would make the question of agency licenses a political one which should be avoided until the political situation in the state improves. Consideration was also given the writing of a joint hail and windstorm policy at a mandatory combined rate, but no action was taken and the matter was referred to the executive committee. The executive committee was authorized to appoint a committee to study means and methods for eliminating the multiplicity of agents.

Need of Closer Contact

In reviewing the year's work, President Alphonse Davis stressed the need of closer contact and understanding service. Controversial business matters should be settled between field men and agents in conference. President Davis stated "the society has not let up in its efforts to bring about enforcement of a recent act of the Louisiana legislature which compels mutuals to comply with the same laws under which stock companies operate." He also reported that "we have been most successful in prevailing upon the stock surety companies to refuse to sign qualification bonds of mutual companies."

In response to Mayor R. L. Mouton's address of welcome, L. A. Williams, Crowley, spoke of the importance of the meeting and the dangers confronting the business, saying that "only by sticking together in a close knit association, these conditions can be met and overcome."

Reese Represents Field Men

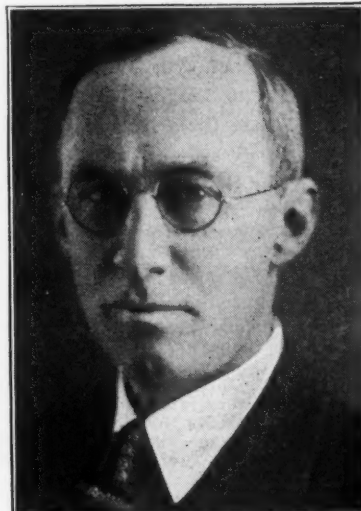
A. G. Reese, Liverpool & London & Globe, special agent, brought greetings from the field men, and Chairman Pinchback Taylor of the Arkansas Association of Insurance Agents conference committee spoke of the problems facing the agency business.

The convention was well attended, 180 having registered. There was an entertainment with barbecue and fish

Staging a Great Battle



J. H. DOYLE



ERNEST PALMER

Two of the most experienced and keenest insurance men when it comes to forensics are pitted against each other in an important battle in Illinois over the proposed insurance code. Ernest Palmer, Illinois insurance commissioner, who was formerly connected with the National Board ten years, is fighting with every resource he can summon in behalf of his code, while J. H. Doyle, general counsel of the National Board, is making one of the great fights of his career to bury the bill.

Berens with Commercial Union, Cotter Takes Post

OAKLAND, CAL., April 17.—Harry Berens, for several years manager of the Oakland Association of Insurance Agents, has resigned to join the Commercial Union as special agent in its Los Angeles office. He will be succeeded by F. M. Cotter, who will also become manager of the East Bay Association of Insurance Agents. Mr. Cotter has recently been in local agency work here but was formerly for many years with the Royal Indemnity and later Pacific Coast manager of the Constitution Indemnity until it retired from California.

Before leaving for Los Angeles, Mr. Berens was guest of honor at a luncheon given by the Oakland association in recognition of his work as manager and in handling the writing and placing of the association's public insurance under the "Oakland plan."

fray in the evening preceding the meeting.

A. S. Hahn, Winnfield, was elected to the executive committee. Holdovers are O. W. Brown, Lake Charles; Mike Donlin, Lafayette; W. M. Ford, Shreveport; C. P. Gould, New Orleans and H. H. McCain, Baton Rouge, National councillor; Matt G. Smith, Baton Rouge, was reelected.

HOLC Effective Date July 20

The agreement of the Home Owners Loan Corporation with the Stock Company Association becomes effective July 20, the same day that cancellation of the Hartford Fire's HOLC contract becomes effective. Constitution, by-laws and rules of practice of the Stock Company Association have been officially approved by the HOLC. The association will handle risks in which the HOLC is interested where the borrower does not pay the premium. At present the association embraces 134 companies and more are expected to join. In the by-laws there is no prohibition against foreign companies becoming members, the only condition being that the company must be satisfactory to the HOLC.

The city hall in Saginaw, Mich., built at a total cost of \$100,000 in 1891, was completely destroyed by fire, being the heaviest loss in the city for several years.

Conly Renamed as Oregon Conference Committee Head

SAN FRANCISCO, April 17.—Clifford Conly, Pacific Coast manager Great American and Phoenix of Hartford, was reelected president of the Oregon Conference Committee at the annual meeting in San Francisco. H. G. Rich, assistant manager Royal-Liverpool & London & Globe, was named vice-president, succeeding W. G. Deans of Selbach & Deans. Mr. Deans, however, does not retire from the committee, remaining as a member. Prior to the organization meeting, Mr. Conly and A. N. Lindsay, assistant manager of the Commercial Union group, whose terms had expired, were reelected. A. J. Posey, assistant manager Hartford Fire, was elected to fill a vacancy on the committee.

Reports were presented by President Conly and J. N. McCune, manager Oregon Insurance Rating Bureau.

Members of the committee in addition to Messrs. Conly, Lindsay, Rich, Dean and Posey are C. A. Craft, Phoenix of London, and Carl N. Homer, Travelers.

General Upheld in Oregon on Its Participating Form

PORTLAND, ORE., April 17.—The General of Seattle gained at least a temporary victory by the denial of the state of Oregon's demurrer in the suit to prevent the Oregon insurance commissioner from interfering with the issuance of the company's participating fire policy. The state has not announced whether it will appeal the decision or not. This will probably end the litigation which started with Commissioner A. H. Averill's announcement that the General's participating policy was illegal and its license would be suspended if it continued issuing it. The denial of the state's demurrer may help to clarify the General's position in other states where it writes the dividend-paying form.

Mrs. Mary A. Fairchild, chief clerk Nebraska insurance department, has recovered sufficiently from injuries received when a skidding automobile overturned to permit her to resume her duties on part time.

See Hope For Settlement of the Missouri Rate Case

PARLEYS ARE IN PROGRESS

Street and O'Malley Negotiate—See Possibility of Restoring Level That Existed Prior to 1922

JEFFERSON CITY, MO., April 17.—It is generally believed here that the long and bitter Missouri rate litigation is closer to a final peaceful settlement than at any time since former Superintendent Hyde took his first steps in 1922 to force the stock companies to reduce their rates.

The preliminary step toward a solution was taken at a conference here between Governor Park, Superintendent O'Malley, C. R. Street of Chicago, representing the companies; Attorney General McKittrick, P. B. McHaney, attorney for the department; former Attorney General Barker, Floyd Jacobs and G. C. Weatherby, special counsel for the department in the rate cases; R. J. Folonie, chief counsel for the companies; former Supreme Judge Ragland and W. L. Igoe, both of counsel for the companies.

It was agreed that the negotiations for a settlement should be continued by Mr. O'Malley and Mr. Street. It is anticipated another meeting will be held in about a week and that the companies will submit in writing their proposals for a settlement.

While there has been no official announcement as to what the companies will offer it is anticipated that it will be a reduction to the rates that were charged up to 1922 instead of the present level which is five percent higher than that.

Since June 1, 1930, the state courts have been impounding 16 2/3 percent of the premiums collected by 74 companies and now has custody of about \$1,800,000, while the federal court has charge of about \$9,000,000.

The new rate schedules would probably be made retroactive from June 1, 1930, or some date agreeable to both sides. This would allow policyholders some return premiums and would release the balance to the companies and their agents.

The state officials apparently do not hold the same bitterness toward stock companies that was so apparent during the Hyde regime.

STREET IS HOPEFUL

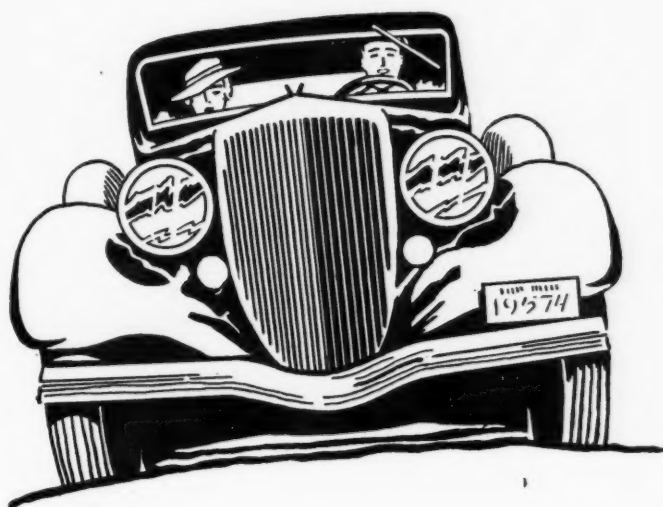
WHITE SULPHUR SPRINGS, W. VA., April 17.—Regarding the Missouri rate case, C. R. Street of the Great American went to Jefferson City last week to confer with the governor, attorney general and insurance commissioner as to practical means of settling the litigation. He had made two or three previous trips on this mission. Mr. Street said at the White Sulphur Springs meeting of the Western Underwriters Association that negotiations were in progress but no agreement has been reached. He is not sanguine as to the outcome but is hopeful.

Canadian Federation to Meet

TORONTO, April 17.—The Canadian Federation of Insurance Agents will hold its annual meeting in Winnipeg in September, it was decided at an executive meeting here. One of the important matters before the federation is the policy of the Dominion Board in regard to handling of tariff business in conjunction with non-tariff business.

Carl Brasee Is Dead

C. H. Brasee, assistant manager Grain Dealers National Mutual Fire, died at the Methodist hospital in Omaha Saturday. What he believed to be a sore throat developed into a general paralysis.



A SAFE
DRIVER NEEDS
GOOD BRAKES

A SAFE AUTOMO-
BILE POLICY NEEDS A
FINANCIALLY SOUND
STOCK INSURANCE
COMPANY BACK OF IT



THE HOME
INSURANCE COMPANY
NEW YORK

ORGANIZED 1853

59 MAIDEN LANE

Strength

« »

Reputation

« »

Service



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

•
Casualty
Fidelity
Surety
•

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

•
*Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.*

As SEEN FROM CHICAGO

DRISCOLL AGENCY VICE-PRESIDENT

Michael E. Driscoll, who has been special agent of the J. M. Hogle agency, 440 Insurance Exchange, Chicago, has been advanced to vice-president of that agency. Mr. Driscoll has been in insurance work for 20 years and has had wide experience. From 1929 to 1932 he was manager of the casualty department of the Kelly, Halla, Peacock agency of Detroit, and before joining the Hogle agency was operating his own agency in Chicago. He will continue to work on production and is expected to be a big factor in building up the business of the Hogle office.

* * *

EXAMINERS TO ELECT

The Association of Fire Insurance Examiners of Chicago will hold its election at the meeting Thursday evening of this week. Two tickets are in the field. R. J. Bothwell of the America Fore is the nominee for president on both tickets. The rival candidates for vice-presidents are R. R. Stick of the Hartford and R. H. Erickson, reinsurance man; candidates for secretary are J. C. Johnson, Fireman's Fund, H. C. Stiles, Great American; for treasurer, P. W. Freilich of the National, and H. Chessman of the Sun are competing. Two directors will be chosen and there are four candidates: A. E. Svec, Providence Washington, J. C. Fetzer, America Fore, A. Miller, Fireman's Fund, and E. Feeney, Crum & Forster. The outgoing president is J. B. O'Connor.

* * *

NO CONNECTION WITH NORTH

The Thomas T. North Adjustment Company of Chicago, Mr. North advises, has no connection with the North Adjusting Bureau of Indianapolis, operating in northern Indiana, nor with any other adjustment concern. Mr. North operates an independent adjusting office for fire, automobile, inland marine and all special risk lines. J. L. Valentine, who operates the North Adjusting Bureau, formerly was connected with the Thomas T. North Adjusting Company, in charge of the Indianapolis branch.

* * *

PUBLIC ADJUSTER PARTNERSHIP

H. C. Parsons and E. A. Harrington have formed the partnership of H. C. Parsons & Harrington with offices at 166 West Jackson boulevard, Chicago, and will operate as adjusters for the people and insurance counselors. Mr. Parsons was with the Western Adjustment in Chicago for many years and later served as independent adjuster with offices in Chicago, Peoria and Mt. Vernon, Ill. About eight years ago he joined the public adjusting firm of H. A. Maurer & Co., of Chicago and for the past four years has operated his own business.

Mr. Harrington started in the loss department of the western office of the Firemen's and then joined the National Liberty in the loss department. He served for a time as Illinois special agent and then joined the Western Adjustment, remaining 13 years.

* * *

GET LIFE GENERAL AGENCY

The Engelhard & Co. agency of Chicago has been appointed general agent in that city by the Old Line Life of Milwaukee. This general insurance office which has quarters in the Insurance Exchange building, for a number of years has placed business on a brokerage basis with other companies. Paul R. Engelhard will direct the life production.

* * *

NO OPEN SEASON UNTIL JULY 1

The directors of the Chicago Board, in setting July 1 as the effective date for the agreement with the Western Underwriters Association for the improvement of conditions in that city, adopted a resolution warning that the

interim is not to be regarded as an open season for violations. Warning is given that any movement made to disturb business of other members or other affiliated companies by methods in violation of the present commission and brokerage rules, by any unethical methods, is distinctly a violation of membership obligations and will be so treated.

Although, as a matter of fact, there will be no new commission or brokerage rule after July 1, the directors feared that unless warning was given, some might think that the bars had been let down temporarily and that violations would not be prosecuted.

* * *

AGENTS IN ONE-DAY DRIVE

Agents of the western marine department of the Fireman's Fund in a day's special effort produced a large volume of premiums in observance of the fifth anniversary with the company of E. D. Lawson of Chicago, manager of the department. Some 300 daily reports were submitted. All arrangements were made surreptitiously by P. J. Lean, assistant manager, who was toastmaster at an informal staff get-together and buffet dinner in the office.

* * *

MACK & PARKER ESTABLISHED

Edward E. Mack and John B. Parker announce establishment of the general insurance firm of Mack & Parker, with offices at 208 South La Salle street, Chicago. Mr. Mack has engaged in the insurance business in Chicago since 1922, associated with the Rockwood Company. He is a director of the Insurance Brokers' Association of Illinois and a graduate of the University of Michigan. Mr. Parker resigned as agency secretary of the Continental Assurance. He has been identified with the life insurance business, both in home office administrative and field organization activities, for more than 15 years. Mack & Parker has not announced its company affiliations.

* * *

SNEDIKER IN CHICAGO

Harvey O. Snediker, who has been connected with the Fire Underwriters Inspection Bureau at Minneapolis, has now taken a position in Chicago with the Western Actuarial Bureau. He had been located in Minneapolis, since graduating from Armour Institute of Technology in the fire protection engineering course in 1928.

* * *

NEWHOUSE CHICAGO VISITOR

R. J. Newhouse, vice-president of Newhouse & Sayre, general agents of the all risk department of the Home of New York, was a visitor in Chicago, stopping over to confer with Manager R. M. Simpson of the Chicago branch. Mr. Newhouse has been on a combined business and pleasure trip, spending some time in the south. He proceeded on to New York.

To Have New Location

The Excelsior of Syracuse, N. Y., has leased the bank building at 120 East Genesee street and will make this the head office as soon as extensive alterations are completed.

LOCAL AGENCY FOR SALE

Agency with substantial volume of town and farm business and located in an Indiana city of 5,000 is for sale. Over 30 years old. Owner wishes to retire because of age and health. If interested write.

ADDRESS B71, NATIONAL UNDERWRITER.

\$12,000 IN PREMIUMS

Preferred fire business in Hamilton County, Cincinnati, Ohio, for non-board company, with good rating willing to pay substantial commission.

ADDRESS B-68, NATIONAL UNDERWRITER

<p>AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK</p> <p>Organized 1918 Capital \$1,000,000.00</p>	<p>MERCHANTS & MANUFACTURERS FIRE INSURANCE COMPANY</p> <p>Newark, N. J. Chartered 1849 Capital \$1,000,000.00</p>
<p>GLOBE & REPUBLIC INSURANCE COMPANY OF AMERICA</p> <p>Philadelphia, Pa. Established 1862 Capital \$1,000,000.00</p>	<p>NEW YORK FIRE INSURANCE COMPANY</p> <p>Incorporated 1832 Capital \$1,000,000.00</p>
<p>KNICKERBOCKER INSURANCE COMPANY OF NEW YORK</p> <p>Organized 1913 Capital \$1,000,000.00</p>	<p>SUSSEX FIRE INSURANCE COMPANY NEWARK, N. J.</p> <p>Organized 1928 Capital \$1,000,000.00</p>

A REMARKABLE CONTRACT

It may be said safely that business interruption indemnity (use and occupancy) is a contract without parallel in all insurance. It meets exactly the hazard of the loss of net income to an entire business.

Its intention is to replace the income cut off by fire, the income needed to pay unavoidable expenses and the net profits that would have been earned during the replacement period.

Other contracts pay lump sums. This one aims to pay *income*, the exact income that is required during interruption of business—just enough for expenses and net profits.

It might almost be called the perfect contract of insurance. Even the salaries of indispensable employees are paid, so that their services will again be available.

Has the need of this protection ever been greater than now? Present it as the measured income that will be necessary to replace the loss following a fire, the contract that guarantees resumption of business. Sales resistance will be removed by this presentation. Naturally it is assumed that the agent will review this cover and be prepared to discuss it convincingly in all respects with his prospects.

CORROON & REYNOLDS

Incorporated

Manager

92 William Street

New York, N. Y.

NEWS OF FIELD MEN

Southern Managers Honored Form Detroit General Agency

New York Blue Goose Dedicates Program to Those in Charge of the Southern Business

NEW YORK, April 17.—In compliment to southern executives of the fire companies resident in and about this city, the dinner-meeting of the New York City Blue Goose in Newark, was designated "Cotton-Blossom Night." The hall decorations and entertainment were in keeping.

The guest speakers were William Hard, widely known Washington correspondent, and I. W. Duggau of the Agricultural Adjustment Administration. Mr. Hard reviewed the political situation and mentioned the likely candidates in the presidential campaign of 1936. He said it is futile to speak of the final solution of the major issues now before Congress, holding that changing economic conditions will always force these or other problems to the front, and that for the most part such decisions as are reached can only hold for periods, more or less limited. He urged his audience to maintain an intelligent and constant interest in public affairs, maintaining that business and government are closely entwined, and had been so ever since government existed. Despite the prevailing unrest he expressed confidence in the United States to maintain its commanding status, declaring that crises have arisen from time to time in the past, and that in spite of dire predictions the country had managed somehow to emerge triumphantly and would continue so to do far into the future.

Mr. Duggau defended the processing tax on cotton.

A memorial on the death of Richard Monahan, custodian of the pond, was adopted and a committee was empowered to prepare resolutions voicing sympathy over the death of R. H. Williams, vice-president Travelers Fire. Other members who have died recently are J. A. Campbell, vice-president of the Home, and H. J. Zechlin, secretary of the Niagara.

Most Loyal Grand Gander S. A. Mehorter outlined the program for the grand nest gathering at Atlantic City in August, when Governor Hoffman of New Jersey is expected to be one of the speakers.

Guests included C. H. Kelly of the Oklahoma pond and D. McClay of the Empire State pond. Ten new members were admitted to membership, increasing the roll to 327.

Clarence Axman, most loyal gander, who was responsible for the program, introduced the speakers, while F. E. W. Dart acted as master of ceremonies.

Iowa Pond, Fire Prevention Association to Meet May 10

At the April luncheon meeting of Iowa Blue Goose it was announced the Iowa State Fire Prevention Association would inspect Council Bluffs April 17-18. Most Loyal Gander Lynn Newendorp, announced plans for the annual meeting of the pond May 10 in Des Moines. It will follow the annual meeting of the association. Word was received that Fred Brake, president of the association and special agent Aetna Fire, who was placed in a hospital at Waterloo last week following a severe stomach hemorrhage, has so improved that he has been removed to the Iowa Methodist hospital in Des Moines.

Hold Conference in Chicago

Field men of the North America from Michigan and Illinois attended a conference in Chicago this week with western department officials.

Three Well Known Michigan Field Men With Long Experience There Are Partners

DETROIT, April 17.—J. C. Finnell, O. F. Merbitz and J. B. Robinson, well known Michigan field men, have formed a partnership as Finnell, Merbitz & Robinson to represent fire companies in Michigan, with offices at 2527 David Stott building.

They have been appointed supervising state agents of the Farmers of York and Reliable of Dayton. They plan to secure representation of five or six fire companies, including some writing automobile business, and later plan to enter the casualty field, adding a casualty expert and special agents to their staff.

Careers of Three Partners

The combined experience of the three partners in the fire field totals 94 years. Mr. Finnell has been in the business 31 years. He spent eight years with a large Cleveland agency, eight years with the western department of the Fire Association in Chicago and in 1926 joined the Rhode Island in the Pittsburgh field, coming to Detroit as special agent of the Rhode Island for Wayne, Oakland and Macomb counties in 1928. He resigned several weeks ago.

Mr. Merbitz entered the office of the North British fleet in Chicago under P. J. Moriarty, then chief clerk, 26 years ago. After two years he was transferred to the New York office where he remained 10 years, coming to Detroit in 1919 as special agent under Mr. Moriarty, then as now manager of the Detroit metropolitan department for the fleet. Twelve years ago he resigned to become state agent of the Crum & Forster group, returning to the North British fleet as state agent under Mr. Moriarty two years ago. He resigned on April 1.

Mr. Robinson has been in the field 37 years. For some years he was with the Columbia Fire in North and South Dakota, Montana and Minnesota, coming to Detroit in 1921 as special agent of the Rhode Island in Michigan outside of the Detroit metropolitan area. He was with that company until his resignation a few weeks ago. His son, B. O. Robinson, is state agent of the Security of New Haven in Nebraska.

Roller Joins Rhode Island

To Supervise N. J. Except Camden County—Fireman's Fund Man and Head of Field Organization

Theodore R. Roller has been appointed special agent of the Rhode Island group with supervision over the entire state of New Jersey except Camden county, with headquarters in Newark at an address to be announced later.

Heretofore southern New Jersey has been supervised by Special Agent Walter W. Savage, who now relinquishes all of that territory except Camden county to take on an enlarged Pennsylvania territory.

R. A. Osborne, who had supervised northern New Jersey, has resigned.

Mr. Roller is a native of Jersey City. At night he attended New York University where he specialized in insurance subjects. His first job with a fire insurance company was with the Norwich Union, with which company he served until he became manager of the New York City automobile department. He then went with the North British & Mercantile, first as automobile underwriter, then as fire insurance examiner and still later, he supervised the middle

department territory for automobile business.

Mr. Roller joined Crum & Forster as examiner for New Jersey, Maryland and Washington, and then become special agent in northern New Jersey and suburban New York. He later went with the Travelers as special agent for New Jersey, and in 1929 joined the Fireman's Fund, with which he has since been associated in the New Jersey and, more recently, New York suburban fields. Mr. Roller is president of the New Jersey Special Agents' Association.

Woolard, Veteran Field Man of Kansas, Soon to Retire

Announcement is made this week that Sam F. Woolard, veteran Kansas field man for the American Central and other companies in the Commercial Union group, is preparing to retire completely from business at the end of this year and will gradually relinquish his duties during the year.

Mr. Woolard will be guest of his companies on a long vacation trip, including an ocean voyage, beginning May 1.

On that date Hugh Coldwell will devote his attention to the southern part of Kansas, from the present headquarters in the Wheeler, Kelly & Hagney building, Wichita. Lloyd L. Gaines, with headquarters at 701 Jackson street, Topeka, will supervise northern Kansas.

Mr. Woolard has served 43 years in the Kansas field for the American Central and other companies in the group.

Arrange Dovetailing Sessions

The Kentucky Fire Underwriters Association and the Tennessee Fire Underwriters Association have now decided upon dovetailing dates for their annual meetings. The Kentucky field men will meet June 18 at Signal Mountain, Tenn., and then June 19 will go into joint session with the Tennessee field men at the same place. The Kentucky men will then go back to Louisville to attend the annual meeting of the Kentucky Association of Insurance Agents, June 20-21.

The Tennessee field men will hold their second session alone June 20.

There will be a meeting of the Kentucky State Fire Prevention Association at Franklin, Ky., April 16 and the educational committee of that association will meet with the agents of Henderson, Ky., April 18.

Illinois Golf Tournament

The officers and committee chairmen of the Illinois Blue Goose at a luncheon meeting this week decided to sponsor a golf tournament among the three puddles in the state and the Chicago group. The elimination tournament for the Chicago members will be held at the Mohawk Country Club near Bensenville probably the afternoon of May 28. That evening there will be a dinner and initiation at the same place.

The three puddles will arrange their own elimination contests and the date for the finals will be determined by the winners. Two winners will be selected to play in the semi-finals and finals from each puddle and the Chicago group.

At the meeting in Chicago, action was taken upon a communication from the life insurance committee of the grand nest, asking for authority to make whatever changes in the contract with the Lincoln National Life the committee finds are necessary or desirable. The committee is handicapped by action taken at the grand nest meeting two years ago when a resolution was adopted, at the instance of D. A. McKinley, the then most loyal grand gander, to the effect that should it ever become necessary to make a radical change from the present plan, that the whole life insurance plan be abandoned. That resolution, the committee stated,

Quits Work in Field to Launch General Agency



O. F. MERBITZ

O. F. Merbitz has resigned as special agent in Michigan for the North British & Mercantile to join with two other former Michigan field men in organizing a new general agency in Detroit. He was at one time connected with the Crum & Forster organization in Michigan.

threw cold water on the life insurance set up and the committee is soliciting a vote of confidence and authority to take necessary action from the various ponds.

J. E. Bright Joins Travelers

J. E. Bright of Omaha has resigned as state agent of the North America to join the Travelers Fire in Nebraska in a field capacity. He is a graduate of the Northwestern University fire insurance course and served in the western office of the North America after completing that work. He was sent into the Nebraska field in May, 1933, by the North America.

A successor is not being appointed by the North America to Mr. Bright. The entire state will now be handled by O. F. Fugate of Kearney, who has heretofore confined his attention to western Nebraska.

Farewell Party for Bell

LANSING, MICH., April 17.—Earl W. Bell, state agent of the Colonial Fire Underwriters, Mechanics & Traders, and Franklin National Fire, who has covered the field out of Lansing for the past 22 years, was honor guest at a farewell dinner given by other field men working out of Lansing. Over a score were present, including Lansing agents for the National companies and L. R. Hanawalt, Chicago, assistant western manager.

Mr. Bell is being transferred to Marquette in connection with a division of the Michigan field by the National fleet. He was presented a wrist watch.

Firemen's Los Angeles Changes

Horace Powell, southern California special agent of the Firemen's group since 1929, has been transferred to the Los Angeles office and placed in charge of the fire division. He is succeeded as special agent by H. W. Clary, formerly of the underwriting department in the Los Angeles office.

Beverly Enters Field

The Royal Exchange has appointed W. J. Beverly special agent for Massachusetts and Rhode Island, succeeding H. R. Hatch, resigned. He will have headquarters at 44 Kilby street, Boston.

Mr. Beverly was born in Cincinnati in 1901 and attended the University of Michigan. He joined the Missouri Inspection Bureau after the war and the New England Insurance Exchange five years later. He has been an engineer in the analytic rating department, traveling New England extensively.

Taylor Virginia President

Herbert C. Taylor was elected president of the Fire Insurance Field Club of Virginia at the annual meeting at Virginia Beach. J. N. Jacobs is vice-president, O. B. Roberts, secretary, and A. C. Word, treasurer. The executive committee is composed of C. T. Lloyd, Louis Reuger, Jr., W. C. Saunders, Jr., J. H. Baker, B. P. Carter, T. S. Prescott, J. H. Cato and R. A. Chenery.

T. D. Olmsted, assistant secretary of the Automobile, who was in Virginia on a business trip, attended the meeting.

Davis Assistant Secretary

Harold C. Davis, who has been executive special agent of the New York Underwriters, has been elected an assistant secretary. He will now operate in a much larger territory. After earlier experience with the Stoney bureau, he joined the New York Underwriters about 10 years ago. He worked for a time in the special risk department and was made special agent in that department. Later he served as special agent in central Ohio, then eastern Massachusetts and Rhode Island before being brought to the home office as executive special agent.

Delavan Dates Announced

President Grant C. Bissell announces that the annual meeting of the Illinois Fire Underwriters Association will be held at Lake Delavan, Wis., June 20-21.

Rasmusen With Morrison

The John K. Morrison general agency of Omaha announces the appointment of Otto F. Rasmusen as state agent representing the Federal Union in Iowa. He was formerly with the Dubuque Fire & Marine and later with the Ellis-McKinney general agency in Des Moines and is quite familiar with the Iowa field.

Firemen's Names Roth

Conrad Roth has been named special agent for Firemen's of Newark with headquarters at Spokane. He will supervise eastern Washington and the panhandle of Idaho, succeeding Ray Mitchell, resigned. Since 1928 Mr. Roth has covered Washington, Idaho and Montana for the Security.

Julian Talks to Field Men

MONTGOMERY, ALA., April 17.—At the Alabama Field Men's Association's April gathering Superintendent Frank N. Julian spoke and pledged his cooperation.

The field men will hold their May meeting in Mobile May 8, the day before the local agents meet there.

Stegner Is Named Welder

George Stegner of the North America has been named welder of the Kentucky Blue Goose to take the place of G. L. Frank, who has been transferred to Tennessee.

Field Notes

F. J. Grube, special agent Northern Assurance and London & Scottish, has established an office at 418 Yeon building, Seattle, covering both Oregon and Washington.

The Ohio Fire Prevention Association will inspect Ravenna next Wednesday. H. K. Rogers, Western Actuarial Bureau, will address school children and also speak at a luncheon.

The Missouri Fire Prevention Association will inspect Crystal City April 24 and Festus and adjoining towns the next day. J. E. Ball, former president of the association, will make the principal address.

Council Refuses to Confirm DeCelles as Commissioner

The governor's council of Massachusetts, by a tie vote, failed last week to confirm the appointment by Governor Curley of Francis J. DeCelles as commissioner to succeed Merton L. Brown, whose term has expired. One councillor refused to vote, stating he wished to inquire into the qualifications of the governor's choice. The governor has indicated he would again place Mr. De-

Celles before the council at its meeting this week.

Invitation from Yakima, Wash.

The Yakima Chamber of Commerce at Yakima, Wash., a city of 35,000 people which is in the center of the apple district of the Pacific Northwest, is extending a special visitors' invitation to the insurance commissioners and their friends en route to the Seattle convention, July 9-11. The Yakima insurance men and business people want conventioners to make the trip of 200 miles from the city over the Cascade moun-

tains to Mt. Rainier and then on to Seattle. By getting off their train in the morning, the insurance people can connect with Rainier Park auto coaches and reach Seattle in the evening.

Insurance Women Hear O'Gara

The San Francisco Insurance Women's League met Wednesday evening with Gerald O'Gara, attorney, as the speaker on pending insurance legislation.

The Columbia Fire of Dayton, O., has been admitted to Virginia.



"Why Mrs. Snobgrass, imagine running into you here!"

* * *

Are you making the most of the Comprehensive Automobile policy?

It is a means of increasing your premiums from present customers with practically no effort . . and gives them better protection.

It is a fine approach to prospects.

* * *

Our new advertising literature on the subject will help you make sales. If you want to see it . . if you are interested in another strong company that offers this policy . . write us. We will send a representative promptly.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

Every type of property insurance for industry and the home.

Serious Problems Are in the Field

(CONTINUED FROM PAGE 3)

paying plan, seeing its advance in certain sections. He said:

"This competition has probably made no material advance in certain states where we have a high preponderance of clear agencies and few or no local stock fire companies or mutuals actively developing a home-state business. On the other hand, however, in states where mixed agencies abound and in states having active local fire companies and local state mutuals offering this privilege the competition has been intensified.

Disconcerting Form of Competition

"It is the most disconcerting form of competition with which our agents have to contend. It is not affected with any nature of extra commission allowances and is more compelling than a rate concession. Many thinking agents are beginning to see that a move on the part of all companies to offer the privilege will have the ultimate effect of encouraging the writing of all business for an annual term which would be disastrous to agency interests.

Loss of Business Seen

"Appeals to the governing committee's office are almost all in connection with the loss of school and other public properties. There is reported also from time to time the loss of hotel and office buildings—but these are not so frequent and reports to our office of the loss of mercantile and dwelling risks have all but disappeared. Such agents in large cities as we have been able to contact are quite generally opposed to any change in rules to meet this competition. These agents, in many cases, have already put the insurance on their public property on terms to make a pro rata part thereof expire each year, and these agents are jealous

of the term rule. In the smaller cities and better towns the installment privilege is surely drawing term business away from our companies and, in many cases, away from our agents.

"Anti-discrimination laws in most of our middle western states preclude consideration of ways and means for specific treatment of this issue at the affected localities and creation of installment privilege on all classes of business eligible to term treatment would open the way to dislocation of tremendous totals of liabilities and premiums, a great part of which are not under attack and would not be written by our competitors in any event.

"We have here an illustration of the potential discrimination that is in anti-discrimination laws operating in reverse gear to give right-of-way to companies and concerns which, doing only a specialized business, have no obligation or interest to serve the agency system or the needs of the public generally."

Comment on Clear Agencies

President Henne referred to the importance of maintaining clear agencies. He spoke of the efforts of mutuals poaching on the private preserves of stock company agencies. He said in this connection:

"In former years mixed agencies for the most part involved principally a 5 percent over-commission with possibly an extra furbelow here and there granted by non-member stock fire companies. Mutual competition was not a relatively important factor. Many of the mutuals were operating only in the state in which they were organized. Some of them developed all or most of their business by direct contact with property owners. Those who were operating an agency plant were in most cases of no particular value to the competent agent and as a consequence mutual companies had no deep rootings in the best agencies. There were, of course, outstanding exceptions in each state, but generally speaking mutual competition was projected by the mu-

tual companies themselves, rather than by agents of mutual companies.

"Times and conditions have changed. Today non-member stock companies are a minor factor in the mixed agency situation in those states where we are privileged to apply our rules and it is the representation of mutuals that mixes the larger number of agents listed for attention.

"The methods of mutuals have changed markedly. The most aggressive have crossed state boundaries and now operate over large areas. The Ohio and Indiana mutuals crossed the Missouri in 1933. The mutuals in the northwest have largely extended their field. The Kansas City mutuals have invaded Colorado and Oklahoma. The advent of out-of-state mutuals has had the effect of quickening the so-called state mutuals.

New Devices Introduced

"These strangers have brought in federated facilities—rate deviation filings and other flounces to beguile property owners. Also the state mutuals discovered that the new apostles of the faith were seeking only the best business for which they offered a concession in rate of 20 percent, if the risk is protected and only 10 percent off on the unprotected, if they would write it at all.

"The state mutuals have been spurred to sharply increased activity in order to keep what they have—with the result that the contest for agents is in full swing. The competition of mutuals, therefore, is competition for agencies as distinguished from the earlier phase of direct competition for business.

"It is worthy of note that mutuals and non-affiliated stock companies seldom start a new agency. Their methods do not lead to the constructive work necessary to build an agency and, furthermore, they know they can get nowhere with an independent agency plant built on advocacy of their own destructive system. Therefore, estab-

lished agencies throughout the middle-west are being daily and repeatedly solicited and entreated with lures of lower rates, higher commissions and other special privileges to give these concerns specifically selected business. You may be certain that your competitors do not under-estimate the value of established agencies.

"One state association of agents has already officially petitioned the governing committee for support in its pro-stock company campaign. Another state association has asked assistance of the committee in its program opposing mutual aggression, while in another state a close working agreement exists between the organized agents and organization companies.

"Many of the solid agents have always refused to divide their allegiance with mutuals and for that reason we have heard little from them. Other agents hitherto complacent have become studious of present conditions. Certainly we cannot afford to ignore the mixed status of many agencies and nothing less than a militant policy will avail in the present situation which the report of the governing committee will reveal in more detail."

Minnesota Department Change

ST. PAUL, April 17.—Two important changes have been made in the personnel of the insurance department since Commissioner Yetka took over the office. J. W. Richmond, for more than 20 years an examiner and in recent years chief examiner, is retiring. Albert Burger has been appointed chief examiner. T. E. Barbeau has succeeded M. M. Missall as actuary.

Adds Inland Marine Department

The H. F. Ahmanson & Co. general agency, Los Angeles, has added an inland marine department, in charge of T. H. Crane, formerly with the R. E. Lee Company of Omaha and an experienced inland marine underwriter and producer.



PROTECTION AGAINST LOSS BY FIRE

Since 1848 the Ohio Farmers Insurance Company has furnished reliable protection against loss by fire. Eighty-six years ago, Ohio Farmers protection was for farmers alone. Now the city dweller, the factory owner, the store proprietor, get the same high quality of insurance protection that has been provided under Ohio Farmers policies Since 1848.

FIRE
TORNADO
WINDSTORM
LIGHTNING
EXPLOSION
RENTS
SPRINKLER
LEAKAGE
AIRPLANE
AUTOMOBILE

One reason for the excellent reputation of the Ohio Farmers Insurance Company is the close contact between agents and officers of the Company. This contact brings about cooperation. Confidence and cooperation bring added strength to this Company that has provided Insurance Protection Since 1848.

OHIO FARMERS
INSURANCE CO.—LEROY, O.

Southern Home of N. C. Is Reinsured, to Be Liquidated

PEARL FIGURES IN THE DEAL

Equitable Fire of Charleston Gets the Business and Makes Treaty with Pearl

NEW YORK, April 17.—Under an arrangement effective April 15 the entire business of the Southern Home of Charleston, S. C., was reinsured in the Equitable Fire of the same city, the latter company in turn concluding a reinsurance treaty with the Pearl for future business. The extent of the reinsurance to be allotted has not yet been worked out.

The affairs of the Southern Home will be liquidated. Both it and the Equitable Fire are members of the Southeastern Underwriters Association. The business taken over will be conserved by the management of the Equitable of which David Huguenin is president.

Bought from American Reserve

The Bonstok Securities Corp., an affiliate of the stock exchange firm of Herrick, Berg & Co. of this city and with close financial relations with the Pearl management, purchased the stock of the Southern Home from the American Reserve, while the underwriting program was worked out by Stewart B. Hopps of the Pearl.

The Southern Home was formed in 1911. At the close of 1934 it had a capital of \$500,000 with total assets of \$1,304,418 and net surplus of \$458,747. It wrote in net premiums last year \$400,000. Negotiations looking to its sale to the Pearl were under way last January but failed to materialize.

Several years prior an effort to buy the company on behalf of the Union Indemnity of New Orleans was made but without result. The Equitable was launched in 1849. Its present assets total \$1,082,290, capital \$300,000, and net surplus \$524,199. It secured in net premiums last year \$185,720. The company operates in the Carolinas and Virginia for direct business and in several other states for reinsurance.

LEGISLATIVE ● DIGEST ●

Oklahoma—Conference committee agrees to income tax rate of 6 percent on corporations including insurance companies.

Iowa—Legislature is scheduled to adjourn April 23.

Virginia—Legislative commission on revision and recodification of Virginia laws will make a tentative draft of its report and then hold a final public hearing. The commission is to report to the legislature next January.

Massachusetts—There has been a general cleaning up of threatening insurance measures. Among the bills killed are: probe of all insurance companies; election of insurance commissioner by the legislature; tax on fire insurance companies to pay for one quarter cost of local fire departments; and for all insurance rating to be conducted under state control.

Texas—Bill providing that no license be issued to an agent without proof of solvency and stability of a company reported favorably in the house. *** Senate passes bill to prohibit issuing and signing of policies except through regularly licensed recording agents.

Michigan—The only bill instigated by the insurance department in the current legislature has been passed and now awaits the governor's signature. It extends for two years the provision for issuance of preferred stock by compa-

nies in order to improve their financial standing during the continued stress of the times.

Nebraska—The senate has advanced to third reading bill levying 2 percent additional tax on gross premiums of foreign fire companies collected in incorporated towns, proceeds to be paid to firemen's relief associations or in absence of such associations by governing board of municipality for relief purposes, although all firemen are now under workmen's compensation. *** The senate also advanced the bill increasing from 1-8th of 1 percent to .5 percent special tax levy on all stock fire companies for support of state fire mar-

shal's office, amending original increasing the levy on mutuals and assessment associations from .2 percent to .5 percent. *** The house insurance committee has recommended for passage the senate bill increasing the penalties for making discriminatory rates or engaging in combinations to raise or maintain rates.

Ohio—House leaders favor adjournment on May 1. The senate will likely agree. The senate is now in recess, holding skeleton sessions only every two or three days. *** Ohio insurance men are opposing the bill which would amend the valued policy law to include windstorm and tornado insur-

ance. The measure has been referred to the house insurance committee.

California—Assembly Bill 1351, proposing to permit agents or brokers associations to write insurance or act as broker or agent as a group, was tabled by the insurance committee. San Francisco brokers' group sponsoring measure were contested by other members of the San Francisco Brokers Exchange, including Assemblymen Thomas Maloney of the committee. Bill was part of general plan to permit brokers' exchange and other local associations to act legally as broker or agent of record on public insurance projects.



The Franke Home for Aged, Charleston, S. C. Scene of fire, March 2nd, reported by "Aero" within 30 seconds after it started. Loss—none.



"Less than 30 seconds after the fire started the Fire Department was on the way..."

At 10:58 A. M. on March 2nd, fire broke out in the basement of the Franke Home for the Aged, in Charleston, S. C. The promptness of "Aero" in sending in the alarm less than thirty seconds after the fire started undoubtedly prevented what might have proved a tragic and costly disaster.

The Matron of the Franke Home gave her report of the incident as follows:

"I was doing my regular work this morning as usual when the A.D.T. Alarm sounded. I looked around and at first did not see anything. Then all of a sudden I saw smoke coming through the cellar door, but I knew we were safe as the 'Aero' had already sounded, and I could already hear the fire department coming".

This is just one of the hundreds of instances where the "Aero" Automatic Fire Alarm has prevented serious fire damage by summoning the fire department to the scene in those vital first few minutes that so often spell the difference between a trivial fire and disaster.

By reducing fire losses to the minimum, A.D.T. protection safeguards continuity of premium income and clients' good will. By recommending A.D.T. Central Station Protective Services you can show your clients how to obtain better protection, and often bring about immediate and substantial economies. May we send you explanatory literature—or have a representative call to explain A.D.T. possibilities and arrange to cooperate with you?

A. D. T. PROTECTIVE SERVICES

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE • "AERO" AUTOMATIC FIRE ALARM SERVICE • WATCHMAN SUPERVISORY AND MANUAL FIRE ALARM SERVICE • BURGLAR ALARM AND HOLDUP ALARM SERVICES.

Controlled Companies of AMERICAN DISTRICT TELEGRAPH COMPANY
5 SIXTH AVENUE • NEW YORK, N. Y.



A NATION-WIDE PROTECTION SERVICE AGAINST FIRE, BURGLARY AND HOLDUP



Rating and Commissions Are Viewed by R. P. Barbour

Rating and commissions were reviewed by Robert P. Barbour, president of the Eastern Underwriters Association and United States manager of the Northern Assurance, in a talk at the tenth anniversary of the Bay State Club, fire insurance field organization, in Boston. Mr. Barbour told of the importance of the fire insurance business and praised the activities of the different organizations, including the National Board. "The conduct of the insurance business," he said, "must be orderly and systematic to fully serve its purpose. Rates, forms of policy contracts and controllable expenses must be determined upon some reasonable and definite basis in order that conditions may be stable and dependable for the purchasers of insurance. These things cannot be left safely or advantageously to the whims of individual barter. The cost of furnishing insurance is never known until a policy expires. We run our business on a very slim margin based on averages drawn from our knowledge of the past and judgment of the future and it needs the combined consideration of many thoughtful and experienced men to avoid serious miscalculations."

Develop Present Practices

In discussing the work of the four major regional rating organizations, Mr. Barbour said it is almost wholly the initiative of these organizations that has developed the present rate structure and system of rate making, the various forms of contracts used, the commissions payable to agents and brokers and the established rules of practice. All these matters are inter-related and must be under some measure of control or supervision for the benefit of all.

Mr. Barbour justified the deliberate attitude of the companies in making changes. Conditions in standard policy forms are being liberalized every year to give broader and more comprehensive cover and to march in step with the public needs. At times such action may seem to be delayed unduly, said Mr. Barbour, "but we need to consider the whole radius of a rope tied to a stake. A change in form often has a vital effect on the rate adequacy and exposes the contract to greater loss. For example, the inclusion of the hail clause in the tornado cover has recently caused the payment of nearly \$2,000,000 of insurance losses in San Antonio, Tex. Hence we have the problem, when broadening forms, of considering whether a charge shall be made therefor and if so, how much. Our margin is too thin to permit of much leeway for experimentation."

Exactness Is Annoying

At times the exact rating method is annoying, as well as the requirement of definite forms and clauses. However, "we must realize that the very precision of our rules is the greatest safeguard against competition between companies and between agents in slight deviations in rate or in phraseology for some fancied advantage which in the long run would get nowhere. It's grand to be the only one privileged to deviate from established practices, but when all may do so the advantage disappears."

"One of the important objects of the regional organizations is that of establishing and maintaining fair and proper commissions. One may tread on delicate ground in speaking publicly on the subject of agency commissions, but I believe we may all agree on certain facts. The commissions paid to agents and brokers must come out of the premium dollar and, therefore, must be reflected directly or indirectly in the rate just as losses are, or taxes on the premiums or other operating costs."

"Fairness to the public requires that insurance indemnity be furnished at rates as low as they reasonably can be made; therefore, commissions paid should be no greater than such as shall give to agents and brokers a fair and proper return for their labor and for the service which they render both to policyholder and to insurance company."

"Moderate commissions are a safeguard in more than one direction. If too high the premium rate, if it reflects the commissions allowed, will be higher than is fair to the insurance buyer. If too low then proper service cannot be given to the public, nor men of intelligence and ability retained as agents and brokers. There should be a happy medium fair to all concerned."

Fair and Moderate

"Generally speaking, I believe that, outside of certain definite areas, the commissions established by a majority of stock fire companies through their organizations are fair and moderate and that a great service is rendered to agents quite as much as to the companies and to the public by those who endeavor to maintain them. The reason for that statement, so far as agents are concerned, is because experience has shown that in every locality where commissions have gone beyond a moderate figure there spring up in increasing numbers sub-producers of various and sundry kinds with whom the recording agent has to split his commission, thus substantially reducing his net return from the business passing through his office. Further than this, the greater amount of commissions available tempts more and more people into the business so that the premium volume is split among a much larger number of producers, each new one taking some business away from those already in the field. In my opinion the American agency system, whatever its shortcomings, is the most reasonable and satisfactory means of transacting the fire insurance business. It is menaced wherever conditions bring agents into direct competition with insurance companies and seldom do we hear of strictly fire insurance companies maintaining so-called branch offices for the writings of fire business, except where commissions are greater than the average scale. Established agents and brokers will find more benefit in the long run from a moderate commission scale than from a high one and many have so expressed themselves time and again."

Too Many Organizations

Mr. Barbour considered the question of whether there are too many organizations in the fire insurance business and the advisability of reducing the number through discontinuance or mergers. There is opportunity here and there to combine rating organizations, said Mr. Barbour. "I have long held the opinion that our rating schedule should be simplified, rates less easily changed, fewer specific rates promulgated and that we should rely more on general minimum rates. One reason which increases the number of organizations is the variance of membership, some companies belonging to one and not to others. On the whole, we can hardly be charged with extravagance or over-organization, especially in view of existing requirements imposed by many of the states."

Arkansas Regional Meetings

Four group meetings are being held by the Arkansas Association of Insurance Agents: Forrest City, April 19; El Dorado, April 20; Russellville, April 26, and Fort Smith, April 27.

The Globe & Rutgers and the Equity Fire of Kansas City have been licensed in Iowa.

Jottings From W. U. A. Meeting at White Sulphur

Bert Andrews, head of the special risk end of the western office of the American of Newark, accompanied Manager Robe Bird to the Western Underwriters Association meeting at White Sulphur Springs, W. Va.

* * *

H. P. Jackson, president Bankers Indemnity of the American fleet, was present with President Paul B. Sommers.

* * *

Manager S. W. Tripp of the Western Factory, seldom seen at conventions, joined the lobby brigade.

* * *

J. V. Parker, manager Western Actuarial Bureau, had his son, Charles, with him.

* * *

Charles Parker is in George Washington Law School at Washington, D. C. He took his academic course at Kenyon and then the first two years of law at Northwestern University.

* * *

E. H. Born of the Western Underwriters Association office staff, secretary of the Farm Association and the Special Risk Underwriters Association, attended his first W. U. A. meeting, but from now on will probably be a regular attendant.

* * *

A large contingent arrived Saturday morning but was confronted with rain and soggy golf courses, and in addition two other conventions, the Mutual Benefit Life and American Association of Advertising Agencies.

* * *

Geo. W. Carter and Charles Bennett, Detroit local agents, were at the hotel, being on the Detroit Athletic Club weekend party.

* * *

A telegram of greeting and good wishes was sent to Vice-President Montgomery Clark of the Hanover at his home in Mt. Vernon, N. Y., where he has been confined due to an infection.

* * *

H. B. Hewett of Louisville, manager of the First Kentucky Fire, made his initial bow to a W. U. A. meeting this week.

* * *

Clarke J. Munn, Jr., son of the manager of the Cook County Loss Adjustment Bureau in Chicago, met his father at White Sulphur. "Jack" Munn is connected with the administrative office dealing with soil erosion in the U. S. department of agriculture.

* * *

J. Gankrodger, financial secretary at U. S. headquarters of the Commercial Union, came to the Greenbrier some days previous to the meeting with Manager F. W. Koeckert. He returned to New York Saturday night.

* * *

Assistant Manager H. G. Casper of the Eagle, Star & British Dominions, was accompanied by Fire Manager Hugh Macnabb from the head office. The two had been to Chicago, then went to Lexington, Ky., and took a 700-mile motor trip through Kentucky and Tennessee.

* * *

F. W. Koeckert, manager of the Commercial Union, who had spent several days at the hotel, left Sunday night, stopping en route to St. Louis at Cincinnati and Indianapolis. He had to attend the annual meeting of the American Central of St. Louis.

* * *

C. R. Tuttle, manager of the North America, received word of the death of his nephew, Warren W. Tuttle of Chula Vista, Cal., son of Dr. T. D. Tuttle. Young Tuttle was 33 years of age and had charge of his father's lemon grove. Mr. Tuttle left White Sulphur Monday evening to attend the funeral at Fulton, Mo., the Tuttle family home.

* * *

One of the gracious actions of the meeting was the tribute paid to the late T. R. Weddell of the "Insurance Field," who as a newspaper man attended almost every gathering since 1900. A memoir was read in his honor, and another for R. H. Williams, Travelers Fire.

* * *

Fred M. Gund, western manager Crum & Forster, still wobbly in his underpinning due to his serious operation, was kept at home although he spends part of the day at the office. Assistant Manager J. W. Gregory substituted and was joined at the hotel by his brother, B. T. Gregory, West Virginia state agent of the Aetna Fire.

Fines Against Automobile and Travelers Rescinded

N. Y. EXCHANGE ROW SETTLED

Both Companies Give Assurance of Prompt Compliance With Modified Legislation on Brokerage

The prolonged controversy in connection with the \$10,000 fines imposed by the New York Fire Insurance Exchange against the Automobile and Travelers Fire has now been settled. The fines are rescinded and the two companies have given assurance of their prompt compliance with the present rule of the Exchange. The exchange membership approved the report of the arbitration committee recommending that the fines be rescinded.

The section which the Travelers Fire and Automobile were alleged to have violated was that requiring that fire companies pay agents that are housed by affiliated casualty or life companies five points less than the regular brokerage on fire business.

All Angles Weighed

After the original action in assessing the fine, which caused the fur to fly, the arbitration committee reported that it gave consideration to all sides of the question, including the practice of the Automobile and Travelers Fire prior to Aug. 1, 1933; the enactment by the exchange of legislation prescribing such practice as of Aug. 1, 1933; the compliance or lack of compliance with this new legislation and the enactment of modifying legislation on Nov. 21, 1934, permitting the practice in affiliated casualty or life offices under certain conditions.

The arbitration committee was officially advised by the advisory committee March 13 of this year that it was recommending rescission of the fines contingent upon proper compliance by the Automobile and Travelers Fire with the present ruling of the exchange.

At the same meeting, the executive committee reported that it had elected as chairman A. J. Smith and A. R. Hanners as vice-chairman. W. E. Gildersleeve, Jr., was elected chairman of the arbitration committee and G. F. Neiley vice-chairman. J. W. Nichols is chairman of the rules and forms committee and W. A. Riordan, vice-chairman.

A change in rules was adopted to permit automatic cover on acquired interests in buildings and/or rents in connection with open policies or schedules.

This was done particularly in the interest of banks and other institutions that need automatic protection when they acquire properties or interest in properties as mortgagees, trustees or fiduciaries. Under the new rule such institutions are covered automatically until they have time to check their insurance policies.

The rules were revised relating to insuring improvements and betterments. There is an amendment striking out the requirements that cover must be limited to the insured's insurable interests. This clause is permitted:

"This company agrees to accept and consider the assured in the event of loss or damage in the position of sole and unconditional owner of such improvements and betterments, any contract or lease the assured may have made to the contrary notwithstanding."

A change was adopted permitting the writing of machinery of breweries with building under one item at the building rate.

There was another change modifying the rules for rating sprinklered storage stores, so as to do away with the use of the alphabetical list at the counters of members and require the publication of three rates on merchandise.

McDaniel, Maeser & Co. and Eifert, French & Co. were elected class 3 members.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

FORBES TO TALK TO BROKERS

At the annual meeting of the Insurance Brokers Association in New York City at the Hotel Astor, April 23, there will be a luncheon following with B. C. Forbes, the publisher, as the chief speaker. His subject will be "The Final Upshot."

GENERAL MANAGER ARRIVES

General Manager J. K. Peters from the head office of the Northern Assurance arrived from London this week to visit Manager R. P. Barbour in New York. He has not been on this side for some four years.

C. W. PIERCE GIVES TALK

C. W. Pierce, vice-president of the America Fore companies, and a specialist on non-stock competition, addressed the Richmond County Association of Local Agents on Staten Island this week.

THOMS GOES TO PHOENIX

George Thoms has been added to the New York brokerage department of the Phoenix of Hartford. He is well known in the metropolitan area because of his former connection with the Liverpool & London & Globe. For several months the Phoenix has been increasing facilities available to local agents and brokers through its office at 1 Liberty street.

VAN NAMED MANAGER

William J. Pedrick & Co., New York City, has appointed George B. Van manager of its general insurance department. Mr. Van has been in the business for himself in New York City for 15 years. The Pedrick agency has been named general agent in the up-town section for the bonding department of the Standard Accident. B. G. Podlesney has been added to the staff as assistant to Mr. Van in the bonding department. Mr. Podlesney has had 15 years of bond underwriting experience in New York.

The Pedrick agency will represent the bonding department of the Standard Accident only. The casualty department remains represented by August Bischoff who has had it for a great many years.

MARINE OFFICE MOVES

The United States branch of the Thames & Mersey and the North China and the marine departments of the Liverpool & London & Globe, Star and Federal Union are being moved to 150 William street. The underwriting department will be on the ground floor and the other departments on the 15th floor. H. W. Spicer is manager.

AGENTS MEET APRIL 25

The Suburban New York Association of Local Agents will hold its annual meeting in New York City April 25. R. M. Clark, deputy insurance superintendent, and Henry S. Ives, special counsel Association of Casualty & Surety Executives, will talk. The directors will hold a meeting prior to the general gatherings.

U. S. CHAMBER DIRECTORS

There are two life insurance presidents that are candidates for election as director of the United States Chamber of Commerce from their respective districts. L. J. Dougherty, president Guaranty Life of Davenport, Ia., has no opposition in district 6. He has served as director for some years. S. F. Clabaugh, president Protective Life of Birmingham, Ala., is a candidate from district 4. He has as an opponent T. D. Bradson, president First National Bank of Greenville, Tenn. John C. Harding of Harding & Lininger of Chicago, manager of the western department of the Springfield Fire & Marine,

has no opposition as candidate for insurance director. Elliott Wadsworth of Boston, who is a candidate for director of the foreign commerce department, is a director of the John Hancock Mutual Life.

TO EXAMINE H. M. HESS

The Murphy & Jordan Agency has been granted by the New York supreme court the privilege of examining H. M. Hess, manager of the New York Fire Insurance Exchange, before trial, on a charge that amendments to the exchange agreements, which were made effective Aug. 1, 1933, deprived Murphy & Jordan of income they otherwise would have received. The case has been entered on the May calendar. Mr. Hess must appear April 29 and testify as to the facts and circumstances concerning the case.

The motion of the agency stated that before Aug. 1, 1933, Murphy & Jordan was a class 3 member but thereafter its designation and classification was changed so as to reduce its commissions. All of the companies represented in the agency have agreed to pay higher commissions than permitted by the exchange. The amendment to the by-laws divests Murphy & Jordan of voting rights and prohibits it from accepting the greater commissions it might otherwise earn. The agency contends that the by-laws are in restraint of trade and an interference with vested contract rights.

At the preliminary hearing Mr. Hess will be questioned as to facts concerning the organization of the exchange, its officers, committees and membership, delegation to the exchange of powers by the New York Fire Insurance Rating Organization; functions of the exchange, etc.

DULL CENTRAL BUREAU HEAD

Floyd N. Dull, vice-president Continental Casualty, and W. J. Reynolds of Corroon & Reynolds, were elected chairman and vice-chairman, respectively, of the Central Bureau committee, at the annual meeting. Charles Stulz continues as manager.

Membership on the casualty committee embraces: J. H. Grady, General Accident; J. S. Turn, Aetna Life; M. P. Link, Great American Indemnity, and T. J. Grahame, Globe Indemnity. The fire committee consists of G. W. Graham, Hartford Fire; J. W. Beggs, Atlas; G. R. Michelson, Hall & Henshaw, and P. W. Barnes, Fire Association.

The committee, which handles unpaid earned premium accounts for both fire and casualty offices, reported 580 delinquent broker items to the insurance department during the past fiscal year, a decrease of 337 from those reported in the preceding 12 months.

RUMOR IS CIRCULATED

It is rumored that the Enlightened and Perfect Order of the "Rod of Aaron," eastern division, will hold one of its justly famous meetings and initiation ceremonies in New York City Dec. 28, 1935.

Robert C. Hosmer, secretary of the eastern division, says there are a very considerable number of the brothers in New York and vicinity, and expects to select an appropriate place in which to hold the solemn rites of the order.

He expects to be able to secure a loan of the Temple Jewels, the Urim and the Thummim, for the ceremonies.

The membership of the eastern division is composed of those who received their degrees in the west, and it is planned to accept for membership a few outstanding insurance men in the east who have not heretofore been initiated.

The Allstate Fire has been licensed in Tennessee.

"Your Car?" asks the Alliance national advertising for April, illustrating an automobile "graveyard".

As the reader pictures all the hazards that can hurry his car to the junk-heap, the advertising explains the financial protection of an Alliance Comprehensive Automobile Policy—telling motorists to "Ask the Alliance Agent".



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO OFFICE:
209 W. Jackson Boulevard

SAN FRANCISCO OFFICE:
231 Sansome Street



The policies behind the Policy
are vital to agents and their clients

SOUND INVESTMENT POLICY →

SOUND UNDERWRITING POLICY →

SOUND PRACTICE POLICY →

Northern Insurance Company of New York
83 MAIDEN LANE NEW YORK N.Y.
Incorporated 1897

Property _____
Amount _____
Premium _____
No. _____

BROAD-MINDED TREATMENT of
← LOSS CLAIMANTS

PROMPT PAYMENT
← OF LOSS CLAIMS

SYMPATHETIC
← UNDERSTANDING of
AGENTS' PROBLEMS

It is important that the written portions of all policies covering the same property read exactly alike. If they don't they should be made uniform ones.

Address all inquiries
to HOME OFFICE
83 Maiden Lane New York City

Reliable Fire Anniversary

The Reliable Fire of Dayton, O., this year is celebrating its 70th anniversary. It started business March 1, 1865, with \$100,000 capital. Prior to May, 1910, when its name was changed to the Teutonia Fire, it was known as the Teutonia Fire & Marine. Its present title was adopted in 1918. In 1910 the company went into its beautiful new office building that is familiar to visitors in its city. The great Dayton flood left the building intact. Many valuable records were kept there and they were not harmed.

In its annual statement of Dec. 31 it showed capital \$250,000, assets \$1,407,542, premium reserve \$302,173, net surplus \$814,872, premiums \$255,590, total income \$315,291, losses \$109,453, underwriting expense \$134,664, loss ratio 42.8 percent, expense ratio 52.7 percent. It has paid 18 percent dividends for a number of years.

The Reliable Fire is a choice company with a most excellent investment portfolio. Its operations have been profitable all along the line. Its cash and government bonds are twice as much as its liabilities. Its U. S. government securities amount to \$639,627.

Linxweiler Took Charge

Early in 1865 a number of German citizens of Dayton discussed the organization of a fire insurance company. The idea seemed to meet with favor among their friends and in February the Teutonia Fire & Marine was launched and began business March 1, 1865. The capital was \$100,000 and under the law at that time it was possible to start in business with only 20 percent of the capital paid up. The company did a fair business but by the end of the second year dissension had arisen in the management and it was then that J. Linxweiler, Jr., was elected to the board and made secretary. Mr. Linxweiler, then a young man, applied himself to the study of the business and being a man of high principle and good judgment successfully guided the company for 50 years. He remained secretary until March, 1913 when he was elected president. He died in 1917.

When the Teutonia was organized there were nine other stock fire companies in Dayton and 55 stock companies in Ohio. Of all of these companies only two are left, one of which is the present Reliable Fire.

In 1872, following the Chicago fire, the insurance laws of Ohio required that the capital of fire insurance companies be paid up in full and this the company did. From that time on the company continued to grow and could always be found adhering to good underwriting principles. In 1910 the capital was increased from \$100,000 to



W. F. KRAMER, Secretary

\$250,000 by a stock dividend of \$100,000 and the sale of \$50,000 of new stock and at that time the name was changed to the Teutonia Fire as the company had never done any marine business. In 1918 the name was changed to the Reliable Fire.

The board has always consisted of well known business men of Dayton.

Shortly after the Western Insurance Bureau was formed the company became a member and remained so until the formation of the Western Underwriters Association. In addition it is a member of the Eastern Underwriters Association.

Secretary Kramer's Career

Secretary W. F. Kramer became associated with the old Teutonia in 1897 and served as solicitor in the local department, as clerk and special agent. He was elected assistant secretary in January, 1913 and in March, 1913, upon the elevation of Mr. Linxweiler to the presidency, became secretary. Upon the death of Mr. Linxweiler in 1917, he became manager. He was born in Germany and went to Dayton at the age of nine.

Assisting him are E. J. Weiss, who joined the company as special agent in 1913 and who is now assistant secretary. Mr. Kramer's son, John W., who attended the fire protection engineering course of Armour Institute of Technology, is now associated with the company after having had three years' experience with the Ohio Inspection Bureau in Cincinnati and Toledo.

See Competitive Attacks Growing

(CONTINUED FROM PAGE 1)

more vigor is to be employed in agency clearance. The point was made that the nonconformists—stock and mutual—did not create new agencies but edged in on those established and with allurements beguiled away much business.

Question of How Far to Go

It is a grave question as to how far an organization like the Western Underwriters Association should depart from beaten paths and fight the enemy with fire or accede to the popular demands that the outsiders have created. The very disturbed and anxious present day makes the problem more difficult because business people are seeking means of reducing their overhead. Cheaper insurance or means of easing payment or granting greater liberality here and there undoubtedly finds a ready response. The big question in the minds of orthodox underwriters is just how far to go in innovations be-

cause after all economic laws should be observed and underwriting fundamentals should not be undermined.

As an onlooker, one is impressed with the fact that these organizations are the stabilizing forces in the business. We may feel at times they are reactionary and lack political acumen, and yet they keep the insurance craft from hitting the shoals.

Henne Was Re-elected

Five of the ex-presidents serve as the nominating committee. Those present at this meeting were A. G. Dugan, Hartford Fire; C. R. Tuttle, North America; J. C. Harding, Springfield F. & M.; C. R. Street, Great American; W. D. Williams, Security; Geo. H. Bell, National, and John M. Thomas, National Union.

The place for the semi-annual meeting has not been fixed. While Manchester, Vt., is the favorite, there are those who propose Hot Springs, Va., and some who are urging Lake George.

There was a session Tuesday morning and adjournment was taken until Wednesday to allow the committee on order of business to assimilate the sev-

1794 1935

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

ANNUAL STATEMENT December 31, 1934

Reserve for Unearned Premiums	\$1,658,641.67
Reserve for Losses Under Adjustment	222,651.91
Reserve for Taxes and all other Claims	152,295.71
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,164,346.10

TOTAL ASSETS \$4,197,935.39
SURPLUS TO POLICYHOLDERS \$2,164,346.10

Actual Market Value

Acquire
THE OLD "STATE OF PENN"

eral recommendations and prepare a line of procedure for the final meeting.

The big question is the installment premium paying practice and the attempt to overcome the more dangerous and effective methods of mutuals and unorthodox stock companies. The governing committee held a meeting Monday afternoon and a number of other members sat in to participate in the deliberations. President Henne gave his address Tuesday morning and J. C. Harding presented the report of the governing committee. Mr. Harding also gave the report of the public relations committee which explained the mechanics of the work being done in Wisconsin through the field organization which has a public relations committee following a definite line of procedure set out by the parent committee. Through the field committee, work is carried on by local agents. The public is being advised of the efficiency and strength of stock insurance. Lines of attack and defense are carefully laid out to conserve stock company business.

All the ex-presidents present constituted the nominating committee this year. A. F. Powrie, who has been the second vice-president, now becomes the ranking vice-president. He replaces F. W. Koeckert of the Commercial Union. President Kurth of the Home was made second vice-president and thus he becomes ex-officio member of the governing committee. It is planned to give Mr. Koeckert a place on the committee. Mr. Henne was reelected president, this starting his second term. He is a man well trained and well grounded. He has maintained the reputation and traditions established by a line of illustrious predecessors. His manner of presiding, his fairness and forceful personality have added to his popularity.

C. R. Street reported for the committee on cooperation in loss adjustment practice, saying that the prevailing low loss ratios are causing some laxity in handling claims. This will undermine the structure if continued. No real harm has been done so far and the committee hopes to squelch untoward tendencies. The report cited Minneapolis and St. Paul as examples of what may result when the reins are not held tight. The report stated there are more independent adjusters and more public adjusters in those cities than elsewhere. It is difficult, it adds, at times for field men and independent adjusters in that section to maintain a correct attitude toward public adjusters. In Minnesota a standard policy of vicious form interferes with securing proper results. The committee urged that support be given only to those adjusters or adjusting organizations equipped to meet the local conditions. Incendiary fires of size and importance have been numerous in these cities. Close underwriting, says the report, will enable companies to dodge much trouble but closer loss adjustment cooperation is needed.

Attention was called to hail adjustments at Okmulgee, Okla., when some independent adjusters undertook to allow hail claims where there was no hail rider. This caused much embarrassment. The report cited a recent circuit court decision in West Virginia on cigarette losses, which strengthens the position companies have been taking. The improvement in this direction, the committee feels is apparent.

Public Utilities Schedule Problem

A serious situation is presented in connection with public utilities schedules. The exclusion of liability for electric damages or for damages other than those caused by ensuing fires is a part of every form. Of late there has been a disposition to allow them. The result is that some utility companies have been reviewing their claims during the last two years and although disallowed, are now putting them forward. The committee reminded members that allowances for fire department charges in connection with risks outside city limits are not in order unless an additional premium is collected to meet the extra

liability. The committee contends that absolute control of the adjustment situation is essential to the promotion of company interest and the benefit of the public. The Minnesota adjusters club, the report says, is making earnest effort to correct conditions in the twin cities but it is greatly disturbed by the public adjuster situation. It seems to have companies withhold loss payments until maturity where public adjusters are employed. The committee urged compliance with this practice. A drastic step was taken a year ago to remedy the situation at Memphis. It has resulted in great improvement but is only 90 percent effective because evasions here and there are winked at.

Want Revision on Memphis

A resolution was presented by the committee calling for some revision of legislation controlling the assignment of losses at Memphis, asking that it be referred to the governing committee with power to act. The committee deprecated any short-sighted policy that seeks to enlarge premium income by undue liberality in loss payments.

The subscribers actuarial committee met Tuesday evening. C. R. Street recited the events leading to the effort to compromise the Missouri rate litigation. He feels there is now a good chance of

getting results, although he made it plain that so far no agreement had been reached. Attorney Robert Folonie also dwelt on the Missouri situation.

Resolution Is Adopted

Adjournment was at noon today, the whole session being devoted to consideration of the report of the committee on order of business. As to deferred premium payments the following resolution was adopted:

"Resolved that the governing committee be directed to devise ways and means to provide facilities which will meet the emergency of those property owners unable to purchase term insurance under rules requiring a whole premium in a single payment and that in the formulation of such plan the governing committee shall at its discretion counsel with the Insurance Executives Association and such regional or other associations or organizations as may be interested or affected to the end that uniformity of practice may prevail throughout all jurisdictions."

The report dealt with clear agencies, stating that there still exists in the field club organizations in some states a need for a better understanding and a firmer conviction of the importance and necessity for clear agencies. Members were

urged to instruct their field men to continue pressure against an unsatisfactory agency status. In dealing with deferred premium payments, the committee believed the subject should be considered apart from any question of rate changes.

The committee approved the work of the public relations committee in developing a campaign of education and training to be launched through field organizations.

A place like White Sulphur Springs requires sunshine and warmth to make it attractive. People come here to be out of doors. It had rained for some days, and when W. U. A. people arrived Saturday, they were confronted with lowering clouds, spurts of rain, bleak wind.

The golfers fared badly. The sun emerged from the gloom Sunday afternoon but the grounds were wet and water was still on the fairways. A very stiff wind Monday afternoon killed good golf. On Tuesday morning snow was on the ground and it kept snowing all day.

The immediate environment of the hotel takes on a spring luster and beauty. The forsythia in great masses was never more gorgeous and all around the narcissi, daffodils and jonquils are blooming in profusion.

ONE MINUTE TALK WITH AGENTS—No. 1

Boldness

For most salesmen a dash of boldness in acting is all the seasoning necessary for successful selling. On the football field they call it "fight." And in selling, as in football, no timid soul, no Mr. "Milquetoast" makes the team. They may have their place but it isn't football or insurance.

But happily most men aren't "Milquetoasts." They may not be bold in acting, but that can be gained by trying. You say, "I do try, and try hard." But you don't. Not one man in a thousand truly tries . . . puts his all into his work.

But there is a way to do it . . . and it is easy. Just try to feel the emotion you should feel. Try to feel the emotion of Boldness. See yourself doing Bold Acting in Selling . . . and you will do it. Try to act like Jolson who knows no fear in acting. He is boldness personified.

So in selling insurance use intelligent thinking, powered with action that has been seasoned with boldness and, like Al Jolson, you'll be a hit.

Many agents who are quick to see and bold to act find much that appeals in the GENERAL AMERICA COMPANIES. May we place the facts before you?

W. H. Dent
PRESIDENT.



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Eastern U. S. Department
116 John Street, New York

GENERAL INSURANCE COMPANY OF AMERICA
GENERAL CASUALTY COMPANY OF AMERICA
FIRST NATIONAL INSURANCE COMPANY OF AMERICA

C. W. Davis
Superintendent of Agents,
200 North Broadway, St. Louis, Mo.

The value of an insurance company lies as much in the goodwill engendered as in the gold in its coffers. Consider the reputation and worth of this company when you decide to strengthen your agency representation.

Equitable Fire & Marine Insurance Co. of Providence, R. I.

Cash Capital..... \$1,000,000.00
Net Surplus..... 3,832,750.70
Assets..... 6,031,368.30

Two Modern Steps Taken in West

(CONTINUED FROM PAGE 1)

urally upon expiration, the one-year policy must be written for the three-year term and the two-year policy for the three-year term.

This pro rata term insurance plan may be applied to buildings of any class of construction and their contents, owned and occupied in whole or in part by federal, state, county and municipal governments; fraternal, religious or charitable organizations, and educational institutions which are not operated for profit.

At expiration of the one and two-year policies, the insurance must be renewed in the same company, in the same amount and subject to the same percentage of coinsurance, for a period of three years. All policies written in accordance with these rules shall contain the 80 percent or higher coinsurance clause.

Cancellation by Assured

If the one-year policy is canceled by the insured, the earned premium will be determined on the basis of the short rate of the full annual premium and if the two year policy is canceled by the insured, the earned premium will be the same as would be obtained under a two-year policy written under the regular rules.

A separate renewal agreement shall be executed for both one and two-year policies on their commencement date and the agreement must be signed by the insured.

The old merchandise and fixture form, which has been given a spring overhauling and brought out with stream lines and diesel power, had been effective only in four states. It was somewhat experimental and was valuable in providing a test and exposing practical weaknesses and defects. The old form was not effective in providing full automatic protection at a single location, while the new form is designed to provide just that coverage in the most modern fashion.

Automatically Protected

The old form presupposed that no specific insurance was carried. Under the new form, the assured may carry as much specific insurance as he desires. He is automatically protected against enhancing values, irrespective of fluctuation of merchandise between the days that the contract requires endorsement.

For example, if the contract is written on the twentieth day of the month, the insured must see that his policy is endorsed to an amount equal to his value as of the close of the previous month. That procedure presupposes that no specific insurance is carried. If specific insurance is carried, the assured must see that his form is endorsed to an amount plus specific insurance which will equal his value as at the end of the preceding month.

For instance, if the present values are \$80,000 and the insured now carries \$50,000 specific insurance, under the merchandise and fixture form he must see that on the twentieth of the month the merchandise form is endorsed to an amount equaling \$30,000, because the specific insurance and the specified amount of insurance (\$30,000) must equal the value as at the close of the previous month.

If the specified and specific insurance doesn't equal the value at the close of the previous month, then the insured is protected only to the extent of such percentage of actual cash value at the time of loss (less specific insurance if any) that the specified amount of insurance and the specific insurance at the time of loss bears to the value at the close of the previous month.

The merchandise and fixture form attempts to do for risks at one location what the single state reporting forms do for multiple location risks. At the same time it is designed to take care

of multiple location risks. It attempts to take care of the fluctuation in the value of merchandise in mercantile risks and also those special risks which are eligible to single state "A" reporting form coverage.

This form will serve a good purpose for risks at more than one location written in the past under the single state reporting form contracts which are now ineligible to such coverage because some of the locations do not have values equal to 10 percent of the total value as required by the present rule. In such cases, the insurance can be renewed under the merchandise form.

The provisional premium is determined by applying the rate at the location insured to 75 percent of the limit of liability at each listed location.

Participation of Companies

In the coverage portion of the form merchandise is blanketed with furniture and fixture, but it is permissible in case insurance is desired on merchandise only to strike out the description of furniture and fixture. The coverage portion provides for distributing the total amount of insurance among a number of companies. This can be done by including the percentage of business written by an individual company in the blank space provided for it. The provisions at the head of the form limit the company's liability to its percentage of the total insurance carried under the form and also its percentage of the limit of liability under the policy. Even though only 10 percent is indicated as the proportion of the insurance an individual company is carrying under the form, the specified amount of insurance should not be reduced to 10 percent nor should the limit of liability be reduced to 10 percent. The specified amount of insurance and the limit of liability remain unchanged even though the individual company is to carry all or only a part of the line.

Below is given an example of apportionment under the merchandise and fixture form:

Policy issued March 1, 1935; the value on Jan. 31, 1935, was \$100,000. Specific insurance, \$80,000.

The specified amount listed as \$20,000. Limit of liability listed as \$90,000.

The value on Feb. 20, 1935, was \$110,000.

The specific insurance in force then was \$60,000.

Policy was endorsed on March 20, 1935, listing specified amount of insurance as \$50,000.

A loss occurs on April 15, 1935, with value on the day of loss as \$120,000.

What is the provisional amount of insurance?

The last specified amount (a) \$50,000; plus the specific (b) \$60,000; over the value on the last day of the month next preceding (2-28-35), which was (c) \$110,000.

$$\frac{A+B}{C} \times \text{the excess of value over the specified plus the specific} = \text{the provisional insurance under the form; i. e., } \frac{110,000 (A+B) \times 10,000 (\text{excess})}{110,000 (C)} = \$10,000.$$

110,000. The provisional insurance. Specified insurance, \$50,000. Provisional insurance, \$10,000. Specific insurance, \$60,000. Total, \$120,000.

Insured has 100 percent insurance to pay the loss.

Specific Became Surplus

Under the old merchandise and fixture form, the insured very often had to carry too much insurance. If he complied with the form, his specific insurance became, in fact, surplus insurance. In many cases it resulted in the assured suffering short rate cancellation on his specific insurance.

The supplemental contract that is being extended from the dwelling class to other risks covers windstorm cyclone, tornado and hail under coverage 1; explosion, riot, aircraft and self propelled vehicles under coverage 2, and smoke damage arising from faulty

stationary heating furnaces under coverage 3.

The supplemental contract shall not apply to the following risks:

Cleaning and dyeing plants, coal and ore docks, including all hoisting apparatus and superstructures; electric generating stations and central heating plants (public utility); including substations and other auxiliary buildings operated in connection therewith; explosives, manufacturing; explosives, stocks; farm property; fireworks, manufacturing; floating policies; greenhouses, including all auxiliary buildings; mining properties (coal, metals, etc.), including all auxiliary buildings; oil and gas well and lease properties; prison risks (except court houses, city halls, police stations and jails), including all auxiliary buildings; roof coverings (when written separately); stone quarries, including all auxiliary buildings; traction properties, including rolling stock; transmission lines, poles and towers; trees, shrubs, plants, yard and garden improvements, including golf and country club grounds.

Consequential Loss

Several other less important changes have been introduced in Ohio and Michigan. The consequential loss and damage clause has been reformed expressly to contemplate any hazard insured against under the policy. For example, under the old clause, there was coverage against loss or damage to stock caused by a change of temperature resulting from total or partial destruction of a refrigerating or cooling apparatus by fire. Now under the reformed clause, if there is an inherent explosion clause attached and the refrigerating apparatus is put out of commission by inherent explosion, the consequential loss or damage is covered.

The rules governing term insurance have been liberalized to the extent of permitting term insurance at reduced multiples of the annual rate on policies covering golf and outdoor sports clubs, including country or suburban clubs, irrespective of construction.

In the rules governing windstorm for Ohio and Michigan, it is now permissible to include metal smokestacks, elevated tanks in yard and awnings at the regular windstorm rates applying to the remainder of the property provided the 80 percent or higher coinsurance clause is attached.

Under the former rule this concession was made only under the combined fire and tornado policies containing the 80 percent clause. The change will obviate the necessity of agents filing separate value on such property.

Michigan Department Halts Auto Club's "Free" Policies

DETROIT, April 17.—The new plan of the Automobile Club of Michigan and its affiliate, the Detroit Automobile Inter-Insurance Exchange, to give a "free" accident policy to renewing members has run afoul of the Michigan insurance laws and had to be revised at the request of the insurance department. The policy provides from \$1,000 to \$10,000 death benefit for various special contingencies and \$25 weekly up to ten weeks for hospital confinement due to such accidents.

Michigan Association of Insurance Agents protested to the insurance department. The department pointed out that it is contrary to the Michigan insurance laws to provide certificates of insurance against a master policy in such circumstances and insisted that the club issue individual policies if it wishes to continue the plan. The department also pointed out to the club that it is against the regulations to advertise the accident coverage as being "free"; that it must be clearly stated in the publicity that the cost of the accident coverage is included in the membership fee.

L. M. Ball, president of the Ball Insurance Agency, St. Louis, was married to Miss Dorothy Simon at St. Charles, Mo.

NEWS OF THE COMPANIES

Queen City Fire Anniversary

Thirtieth Year of Company and Twentieth Year of D. P. Lemen in Presidency Are Celebrated

The 30th anniversary of the Queen City Fire of Sioux Falls, S. D., was observed last week at a dinner in the



D. P. LEMEN

home office city, which was attended by more than 150, including agents from the northwestern states, officers and employees and stockholders. The head office of the Hartford Fire group, of which the Queen City is a member, was represented by A. W. Spaulding, agency superintendent of the Hartford Accident.

The event marked not only the thirtieth anniversary of the company but the twentieth anniversary in the presidency of D. P. Lemen, who is synonymous with the Queen City to the agents and friends of the company.

The toastmaster was T. M. Bailey, vice-president and counsel. Among the speakers were Roger Mills, president of the chamber of commerce; F. C. Christopherson, editor of the Sioux Falls "Argus Leader"; A. B. Fairbank, lawyer; John M. Cogley, well known local agent of Sioux Falls; George Barnett, president Fire & Casualty Underwriters of Sioux Falls; Miner Shaw, president Fire & Casualty Agents Association of South Dakota; E. H. Partch, secretary South Dakota State Fire Prevention Association; Ed. Beardsley, South Dakota manager for the Western Adjustment; Tom Scanlan, deputy commissioner of South Dakota; Paul M. Young, local agent of Mitchell, S. D., and Mr. Spaulding.

Judge C. B. Roberts to Head Union National of Omaha

OMAHA, NEB., April 17.—Judge C. B. Roberts, formerly of Valentine, Neb., has been named president of the Union National Fire of Omaha, Charles S. Copeland, executive vice-president, announced this week.

Judge Roberts succeeds W. C. Anderson of Colorado, the latter being the first executive of the company after its organization over a year ago.

Judge Roberts, before his score of years on the district court bench in northwestern Nebraska, was for a number of years in charge of the claims department for the old Columbia Fire. Following his election to the presidency of the Omaha company, Judge Roberts is moving his residence from western Nebraska to Omaha.

Lincoln Is to Be Reinsurer

Retiring From Direct Writing Field—Eagle, Star Not to Have Outside Running Mate

It is understood that the Lincoln Fire of New York following its refinancing will become a reinsurance company only. It has been associated with the Eagle Star & British Dominions but some time ago the management ceased writing. The chief agencies have been assimilated by the Eagle Star and the Lincoln Fire business is being allowed to run off the books. It is stated that the Eagle Star will hereafter have no outside company associated with it. If times are propitious it may organize a running mate.

The refinancing plan embodies the issuance of 50,000, \$1 par, preferred shares through an arrangement with the R. F. C.

Organizing Casualty Affiliate

The Bell Mutual Fire, organized late last year at Portsmouth, O., will shortly change its plan of operation from an assessment plan to a full mutual basis. It has been writing farm property on a conservative basis in southeastern Ohio. It will write general fire and allied lines on farm and city property.

Officers are: F. E. Bower, president; Harvey M. Allen, vice-president. Ora C. Truitt, secretary-treasurer, has been in the local agency business in Portsmouth 15 years.

The same interests plan to have the Bell Mutual Casualty, a running mate writing automobile, plate glass and accident and health operating in about 90 days. Officers of the latter company are the same except Wm. E. Clayton is president and Edgar Miller general counsel.

Cuban Company's Deal

The Reinsurance Underwriting Corporation of New York has been appointed U. S. manager for the Commercial of Cuba, which has been admitted to the United States through the New York insurance department.

Balis Reinsurance Head

C. W. Balis, manager of the recently formed Excess Mutual Reinsurance of Wilmington, Del., was formerly connected with the Philadelphia office of Henry W. Brown & Co.

Dubuque F. & M. on Market Basis

The Dubuque Fire & Marine assets of Dec. 31, 1934, are on a market value basis. In the 1935 Argus Fire Chart this company's assets of \$4,371,047, were shown as "Bonds Amortized Stocks at Market Value" whereas the entire amount should have been shown as at "Market Values."

U. S. High Court Denies Petition

The U. S. supreme court has denied a petition for writ of certiorari in the case of Wolfe vs. International Reinsurance because the application was not made within the time provided by law. This was a dispute over payment of commissions to Lee J. Wolfe, New York actuary, on account of a reinsurance deal, he being the auditor for both principals.

Department Men Guests

NEW YORK, April 17.—C. A. Wheeler, chief examiner of the casualty division of the insurance department; J. L. V. Wood, head of the complaint bureau, and Charles Stulz, manager of central bureau, were special guests at the dinner-meeting of the Casualty Accounts' Association here.



FIRE ASSOCIATION OF PHILADELPHIA

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Politics and Insurance Supervision

IT is most unfortunate that the very splendid and ably conducted Massachusetts insurance department has become now the football of politics owing to the compulsory automobile insurance law of that state, which requires all automobile owners to carry personal liability and property damage insurance. Whenever a state has the power to fix rates, the political factor enters very sharply into the situation. Regardless of the merits of the cause, rate reduction is a good vote getter. There is tremendous pressure on the administration in power to reduce rates where the state has the authority to do so. This has been the experience in every state. Politics becomes a paramount issue therefore in the activity. The administration realizes the fact that if it can order rate reduction it will popularize those in office.

Governor CURLEY during his campaign promised that one of his first acts would be to remove Commissioner MERTON L. BROWN because the latter refused to reduce rates to the point that the governor had ordered. The state insurance commissioner is the official that decides as to what the automobile rates shall be each year. He studies conditions from actual experience. He mobilizes the statistics. The compulsory automobile law in Massachusetts has not been a success in reducing accidents. Theoretically such a measure

may have merit. Practically it is not worked out in a way that has accomplished what its proponents had in view. It has not created conditions that are conducive to the best public welfare.

When WESLEY MONK was Massachusetts commissioner he had to administer this law. Mr. MONK is a conscientious man and was a very sincere public official. He worked out rates that he believed were the minimum that should be required. Yet he was removed from office because he would not reduce these rates further. Commissioner BROWN has been one of the best officials that Massachusetts has had. Out he goes because he would not accede to the demand of the administration and put rates below the minimum.

The nominated commissioner is a man of intelligence and ability. However capable he may be, he must reduce automobile rates or he will be decapitated. It is deplorable that in a great state like Massachusetts, whose insurance department has been an example for all others, a situation like this has developed. Massachusetts has always stood for competent, honest and intelligent state supervision. Until the compulsory automobile insurance law was passed, politics did not cut very much figure in that state so far as its insurance regulation was concerned. Now it becomes a decisive factor in departmental administration.

Is There a Human Obligation?

IF WE are headed toward a civilization with more neighborliness as PRESIDENT ROOSEVELT is wont to call it, then there are certain obligations and responsibilities that each branch of industry or activity assumes. For instance, the manufacturers of automobiles that sell for a modest sum have developed a remarkable speed capacity. This has added to the salability of these cars. At the same time the accident frequency and severity have greatly increased because of this speed potentiality. In other words the automobile manufacturers in order to gain greater profit and increase productivity have done so at the expense of human life and limb.

There is to be undoubtedly a big question before business in the future as to what its human obligations are to the public at large. In a case like this, in our opinion, there is no excuse or extenuation for causing greater mortality and suffering simply to add more dollars to the pockets of the automobile manufacturers and salesmen. The automobile claim ratio is rising materially. It is giving underwriters the greatest kind of concern.

If you are convinced that you can do your work a little better than the average in your line, you will rise above the average.

PERSONAL SIDE OF BUSINESS

C. H. Knoche, assistant secretary of the St. Paul Fire & Marine, is on a trip through the south. Mr. Knoche assists Vice-president J. C. McKown, who has charge of the territory east of the Mississippi river and also the Dominion of Canada.

Edwin C. French of New York, assistant vice-president of the Inter-Ocean Reinsurance, is bereaved by the death of Mrs. French. She suffered a heart attack and fell dead in their apartment. Burial was in Greenwood, Miss.

Clifford E. Pieper, vice-president of the Rhode Island, has been appointed a colonel on the staff of the Kentucky governor.

Mrs. Fred D. Hess of Rockford, Ill., wife of the assistant western manager of the American of Newark group, is seriously ill at her home with heart complications.

R. S. Barret of Toledo, veteran state agent of the Norwich Union, died last week and was buried Thursday. He was 60 years of age. He had been ill for some time with Bright's disease and heart trouble. General Agent W. M. Frink from the New York head office attended the funeral. Before becoming associated with the Norwich Union he was with the Commercial Union. The first of the year he was practically retired, but continued to look after Toledo. Theretofore he had charge of western Ohio.

C. F. Brainerd is now state agent covering the entire territory and J. A. Neelan special agent. They will now take over Toledo. Mr. Barret is survived by a daughter who resides at home and a son, a sophomore at Miami university.

President L. A. Harris and Vice-president Otto Patterson of the American Automobile are on a month's motor trip visiting southern agencies. They are accompanied by their wives. They spent the week end at Hot Springs, Va., but motored over to White Sulphur Springs, W. Va., to take in the sights. The company shows an increase of \$500,000 in premiums this year.

J. T. Sloan, 55, head of the John T. Sloan Co., New Haven, Conn., 129 Church street, died there after a long illness. He was a former president of the New Haven Board of Fire Commissioners. The agency which he headed was started by T. G. Sloan, his grandfather, and was later conducted by his father, the late J. T. Sloan, Sr. Mr. Sloan took over the firm after his father's death in 1917.

R. E. Vernor, Western Actuarial Bureau, Chicago, while addressing a Michigan Fire Prevention Association luncheon in Albion, Mr. Vernor's home town, was presented with an ancient Blickensderfer typewriter that recalled vivid memories of his father. The Albion resident who made the presentation had obtained the writing machine from Frank A. Vernor shortly before his death in 1913. The elder Vernor had used the old "Blick" in his insurance work for many years, having obtained it shortly after his appointment as state agent in Michigan for the Queen when that company was organized in 1891.

J. B. Levison, president of the Fireman's Fund group, has been appointed a member of the school of business faculty of Stanford University with the title of "consulting professor" and will serve as technical adviser to the faculty of the school.

A. A. Maloney, retired secretary of the America Fore group in San Francisco, is in that city this week for a

visit with A. P. Lange, former assistant secretary of the same office and now insurance manager of Hale Bros. department stores. Before returning to his home in Kansas City, Mr. Maloney will visit the Pacific Northwest.

Henry Morris, 59, who had been with the Hartwig-Moss agency of New Orleans for 12 years, died there after an operation that followed an ailment from which he had been suffering for some time. He was a native of Chicago and a brother-in-law of W. Irving Moss.

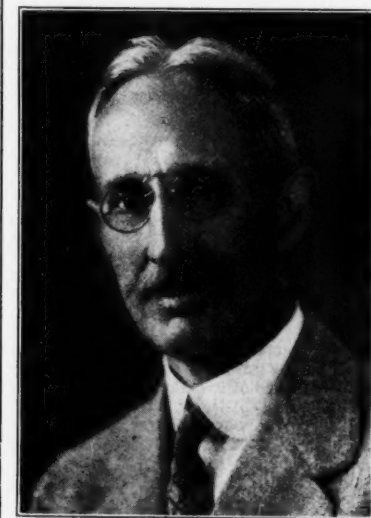
Dennis McRedmond, 64, of the Rowland & McRedmond agency, New Orleans, died there after an illness of a month. A native of New Orleans, he was with the Home of New York before formation of the firm of Rowland & McRedmond 34 years ago.

L. H. Bridges, Chicago, assistant manager of the central hail department of the Home of New York, spoke on "Hail Insurance" on station WHO, Des Moines, Saturday evening.

J. W. Fulton of Shafer & Fulton, agents of Caldwell, O., died after three weeks illness. He was 51 and had been a member of the agency firm for 25 years. He was a graduate of Marietta college and for a number of years before entering the insurance business in Caldwell was a school teacher. H. M. Shafer was his brother-in-law.

W. W. Potter, Pacific Coast vice-president of the Firemen's of Newark, is on a combined business and pleasure trip to Hawaii, accompanied by Mrs. Potter.

Galveston Partners Are Feted on Anniversary



FRED M. BURTON

The office employees of the Fred M. Burton & Co. agency of Galveston and the wives of the three partners arranged a surprise luncheon for the partners to celebrate the twentieth anniversary of the founding of the agency. The partners are Fred M. Burton, D. S. Montgomery and M. S. Backenstoe.

The luncheon was attended by a large number of company representatives including A. B. Grant, assistant manager at the New York office of the Thames & Mersey Marine. Mr. Burton read many letters and telegrams of congratulation that had arrived. There were many floral contributions. Mr. Burton is a former president of the Texas Association of Insurance Agents and has been active in affairs of the National association.



Everyone is a prospect for accident insurance. Our New Maximum Benefit Accident Policy is a sure fire premium builder.

Ask our Special to tell you about it!

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Mortensen Sponsors Measures

Wisconsin Legislature to Be Asked for Numerous Regulatory Laws by Insurance Commissioner

MADISON, WIS., April 17.—Twenty-six insurance bills have been prepared for introduction in the present legislature by Commissioner Mortensen. Copies of the proposed measures are being studied by Milwaukee agents and company men, who will send representatives to attend hearings in Madison.

The insurance department is seeking to require that town mutuals have 100 instead of the present minimum of 25 members, and \$100,000 instead of the present minimum of \$25,000, before a charter for organization can be issued. Such companies also would be allowed to levy for future as well as existing losses under this bill.

Seizure powers would be conferred upon the state fire marshal and his deputies as to any property discovered on premises where there has been a fire, under another bill.

Another bill permits the insurance commissioner to arrange bookkeeping forms for insurance companies and compel their use by all companies operating in the state. A stock insurance company would be allowed to increase its capital stock only with at least three-fourths vote.

Authorization is given in another bill to extend the insurance allowed under the state fire fund upon state, county or municipal property to other classes, such as hail and tornado, in addition to the present fire and tornado.

Companies, not licensed in Wisconsin, would be prevented from writing business in the state and delivery of policies by unlicensed companies through any method would be forbidden.

Another bill provides that not less than 10 percent of the net profits of insurance companies shall be contributed to the surplus each year to meet unexpected mortality or depreciation losses, this contribution to be compulsory until the surplus amounts to at least 7 percent of the admitted assets. Fire policies would be extended to cover losses by marine and other transportation, lightning, hail tempest, explosion, earthquake, or any other cause that may create damage to property. Another would make it mandatory on agents who have written policies for property damage to furnish blanks for indemnity claims as soon as they hear of losses.

Another measure provides that failure to give notice of a chattel mortgage on insured property shall only suspend insurance on them during the life of the loan and that the insurance shall be re-effective after the loan is paid. The suspension would apply only to that particular property covered in the mortgage. Stockholders of holding companies would be made liable for the indemnity that can now be enforced against direct stockholders when the reserves of the corporation become impaired.

Any company issuing nonassessable policies would be prohibited from also issuing policies having an assessment clause. Health and accident companies would be included among the companies prohibited from incurring expenses for maintaining their business of over 50 percent of their premium income, excluding investment expense, taxes and fees.

Reciprocal and inter-insurance contracts would be subject to the statutes

in regard to the grading of municipal risks. Deductions for depreciation in the adjustment of fire insurance losses would only cover the period between the writing of the policy and the time of loss or damage. Another bill provides for appraisals before the policies are issued on property on which fire insurance is written. A standard town mutual fire policy would be authorized, to be prepared by the department and become effective Jan. 1, 1937.

No Wisconsin insurance company could loan or invest in any real estate in which any officer or director has a financial interest, and officers and directors could not accept fees for services in disposing of any real estate or making of investments. A change in the standard fire policy would eliminate the right of companies to rebuild, repair or replace damaged property. Another bill would put use and occupancy, rent and contingent lines under the state rating law, which now applies only to direct damages such as fire, tornado and sprinkler leakage.

Give Answer to Grand Rapids

Fire Waste Council Not Insurance Dominated—Fire Record Not the Only Contest Factor

Authorities of Grand Rapids, Mich., have been challenged as to the facts being cited in that city in the attack on the national fire waste contest. Agitation has been started in that city for a reduction in rates and Fred P. Higgins, assistant city fire marshal, has been quoted as stating that the fire waste contest is an insurance company "racket" and that hints have been dropped that Grand Rapids stay out of the contest because it was monopolizing the honors.

It seems at a recent meeting of the National Fire Waste Council the suggestion was broached that some special distinction be conferred on cities that are consistent winners of awards. A system like that is used in the national health contest. Cities that win awards for two or three years might be placed in a special honor group, according to the suggestion. However that plan was not adopted.

There was no suggestion that Grand Rapids or any other consistent winner withdraw from the contest.

As to the charge that the contest is dominated by insurance companies, the point is made that of the 25 member organizations of the National Fire Waste Council only seven are insurance organizations, they being the Factory Mutual Inspection Department, Mutual Fire Prevention Bureau, National Association of Insurance Agents, National Board, National Fire Protection Association, Underwriters Laboratories and Western Actuarial Bureau.

The Grand Rapids people are emphasizing the low loss ratio of the city, the per capita loss in Grand Rapids last year being 42 cents. The awards in the contest, however, do not depend entirely on the fire loss experience. Educational activities count 30 percent, permanent improvements in protection and construction 30 percent and actual accomplishments in reducing fire loss 40 percent.

The theory of those who are demanding a rate cut in Grand Rapids is that fire insurance rates for individual cities should be on an experience basis. That runs counter to the whole theory of fire insurance.

Agitation for a 25 percent rate reduction in Madison, Wis., has been started by L. A. Smith, superintendent

of the water department. He makes this demand in response to a recommendation of the National Board that Madison develop its fire alarm system, including the construction of a new fire-proof building at a cost of about \$30,000.

Smith demands that the insurance department cause the fire loss record to affect fire insurance rates. He prepared an exhibit indicating that total insurance losses in Madison for the five years ending Dec. 31, 1934, amounted to \$251,992 while premiums were \$2,064,284. He, therefore, argues that for every dollar received from the fire companies \$8.20 was paid in premiums.

Lansing Agents Are Aroused

Attitude of Road Commission in Ignoring Association Bid for Truck Fleet Cover Criticized

LANSING, MICH., April 17.—A bitter protest at treatment of the Lansing Association of Insurance Agents by the Ingham county road commission in connection with the association's effort to obtain the county highway truck fleet line has been filed with the county board of supervisors. The Citizens Mutual of Howell, Livingston county, has been getting this business for years, and the association decided this year to make a determined effort to gain the line and place it with two Lansing automobile carriers, the Wolverine and Auto-Owners. A list of equipment was obtained and a bid filed. The commission meeting was attended by the agents and representative of the Citizens Mutual and another mutual from Detroit.

According to a letter to the county board signed by C. B. Smith, president Lansing association and former president National Association of Insurance Agents, the commission conferred at length with the Citizens Mutual representative and then without giving the other agents a chance to be heard had an employee inform waiting agents the business had been placed. The agents criticized the commission's attitude and marked discourtesy to the association spokesmen, but the county board has taken no action.

The commission is likely to feel the pressure of public opinion, however, due to publicity given the agents' letter, especially since the two Lansing companies are paying taxes and thus helping support the road commission and its program.

Michigan's 1934 Fire Loss Ratio Is Lowest Since 1905

LANSING, MICH., April 17.—In line with country-wide experience Michigan in 1934 had the lowest fire loss ratio since 1905 and the second lowest in the department's records which extend back to 1871. The loss ratio was 43 percent as compared with the all-time low of 39 percent in 1905.

The stock companies' loss ratio in 1934 decreased from 51.65 percent and in 1933 to 46.48 percent. Mutuals had a loss ratio of 25.29 percent, reciprocals 47.36 percent.

Total net premiums of all carriers mounted from \$15,119,677 in 1933 to \$16,847,852. Stock premiums were \$13,866,842 as compared with \$12,256,602 in 1933. The mutuals gained from \$2,718,047 to \$2,772,900.

A good gain in volume was also recorded for other than fire business, the total net premiums being \$4,288,340 to \$5,365,041 for all carriers.

The Hartford, which wrote the largest fire premium volume, had a loss ratio of 86.89 percent. Its net premium volume was \$622,422 with incurred losses of \$540,801. The disastrous Morley Brothers wholesale hardware and

Presides Over Meeting In His Own Home Town



ALVIN S. KEYS, Springfield, Ill.

President Alvin S. Keys of the Illinois Association of Insurance Agents, one of the best known local men in the state, won much praise for the manner in which he presided over the deliberations of the mid-year meeting of the organization in Springfield.

sporting goods loss at Saginaw is believed to have been the major factor in increasing the Hartford's loss as the company is said to have had the entire line with little, if any, reinsured.

The Northern of New York, which has been pushing into the field aggressively, passed \$300,000 in net premiums for the first time. Its total was \$303,983, compared with \$276,284 in 1933. Its loss ratio was higher for the past year, however, rising from 45.92 to 52.18 percent.

The Pearl, licensed for the first time as a direct writer, wrote \$197,530 in premiums, making it second only to the North British, with \$288,878, among the foreign carriers. The Pearl's loss ratio was 17 percent.

Net premiums and loss ratios on fire business of the other leaders were: Great American, \$598,283, 50.24 percent; Springfield Fire & Marine, \$448,286, 46.15 percent; National of Hartford, \$402,154, 50.78 percent; Travelers Fire, \$357,058, 37.53 percent; Home, \$353,578, 57.63 percent; North America, \$315,543, 41.48 percent; Continental, \$309,135, 49.08 percent; American of Newark, \$305,440, 42.28 percent; Fire Association, \$239,989, 33.82 percent; and Aetna, \$220,385, 44.87 percent. The Michigan Millers Mutual Fire of Lansing led the mutuals with \$394,451 and a loss ratio of 30.20 percent.

Agents Seek to Protect Selves in Firm's Collapse

DETROIT, April 17.—Since many Michigan agents were caught in the collapse of the Underwriters Acceptance Corporation of Detroit, which had been financing premiums for some 700 agents in Michigan and Illinois the Michigan Association of Insurance Agents and Detroit Association of Insurance Agents propose to take a hand in the settlement of the affairs of the corporation.

Bulletins have been mailed to the membership of both organizations asking all members who have had dealings with the firm and stand to lose thereby

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1934, \$16,006,502.99

(Securities at Market Value)

THE GIRARD FIRE & MARINE INSURANCE CO.

Organized 1853

Surplus to Policyholders Dec. 31, 1934

\$2,087,058.35

Securities at Market Value

82 YEARS IN BUSINESS

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

Organized 1854

Surplus to Policyholders Dec. 31, 1934

\$935,329.77

Securities at Market Value

81 YEARS IN BUSINESS

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

Organized 1866

Surplus to Policyholders Dec. 31, 1934

\$1,932,062.99

Securities at Market Value

69 YEARS IN BUSINESS

THE METROPOLITAN CASUALTY INSURANCE CO. OF NEW YORK

Organized 1874

Surplus to Policyholders Dec. 31, 1934

\$1,796,718.88

Securities at Market Value

61 YEARS IN BUSINESS

HAZARDS INSURED

Fire and Lightning
Sprinkler Leakage
Tornado—Windstorm
Ocean and Inland Marine
Tourist Baggage
Riot and Civil Commotion
Explosion
Parcel Post
Loss of Use
Earthquake
Aircraft
Automobile—All lines
Personal Accident
Health
Group Disability
Plate Glass
Burglary, Theft and Larceny
Hold-up—Robbery
Blanket Residence
Public Liability—All Lines
Contingent Liability
Elevator Liability
Elevator Property Damage
Golf and All Sports Liability
Products Liability
Professional Liability
Malpractice
Check Alteration and Forgery
Fidelity Bonds
Surety Bonds

GROUP LOSSES PAID

Over

Four Hundred Million

\$429,842,318.00

MILWAUKEE MECHANICS' INSURANCE COMPANY

Organized 1852

Surplus to Policyholders Dec. 31, 1934

\$5,005,480.77

Securities at Market Value

83 YEARS IN BUSINESS

SUPERIOR FIRE INSURANCE COMPANY Surplus to Policyholders Dec. 31, 1934

Organized 1871

\$2,081,259.40

Securities at Market Value

64 YEARS IN BUSINESS

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE Organized 1870 Surplus to Policyholders Dec. 31, 1934 **\$2,243,727.39** Securities at Market Value 65 YEARS IN BUSINESS

COMMERCIAL CASUALTY INSURANCE CO. Organized 1909 Surplus to Policyholders Dec. 31, 1934 **\$2,022,134.99** Securities at Market Value 26 YEARS IN BUSINESS

WESTERN DEPARTMENT
44 Rush Street
Chicago, Illinois

CANADIAN DEPARTMENT
461 Bay Street
Toronto, Canada

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street
San Francisco, Cal.

SOUTH-WESTERN DEPT.
912 Commerce Street
Dallas, Texas

AGE—EXPERIENCE—GOOD FAITH—PERFORMANCE—SOUND INSURANCE PRINCIPLES

ATTENTION!

Brokers—Agents

Stop

THE LIQUOR LAW From Placing Your Clients' Property In DANGER

● Are they protected against the drastic liability under the Illinois Liquor Control Act? Innumerable damage suits filed during the past year under this law prove the absolute need for proper coverage. Remember, the law holds property owners jointly responsible with the proprietor of any place where liquor is sold.

● Write or call us for application and detailed information concerning

ILLINOIS LIQUOR ACT LIABILITY INSURANCE.

● Also—write for information regarding other unusual contracts not obtainable from ordinary sources.

THRU
UNDERWRITERS
at London, England
obtainable through

R.N. Crawford & Co.
INC.

INSURANCE EXCHANGE.. Chicago
Telephone.. WABASH 2637

to send in complete details as a guide to the associations in this work with the receiver. Members having financing in process with the UAC for which settlement has not been made by the Industrial Morris Plan Bank of Detroit, which rediscounted the UAC paper, were advised to see J. J. Hogan, receiver, at once and take up their policies.

They were advised to sign the waiver form requested by the receiver even though it entails a considerable loss to the agent and to do so at once since other complications might arise that would make it difficult to get back the policies at all.

Liquor Policy Is Halved

The Eureka-Security F. & M. has been directed to rewrite its policy covering the property of the Ohio liquor stores in the amount of \$1,814,200. Insurance was originally written in the amount of \$4,237,631. Shortly before the \$4,000,000 policy was issued, the value of the liquor had dropped to something over \$2,000,000. An order was issued that liquor companies keep their stocks in Ohio warehouses so the state may call it in as desired. So long as that plan is in effect, the value of the liquor is not likely to reach \$2,000,000. The fact that \$4,000,000 insurance was carried on a \$2,000,000 stock of liquor was criticised by administration enemies and Liquor Director Burk announced he had directed the insurance to be rewritten. The business was placed through the Reliance agency of Columbus.

Mr. Burk has requested the Indemnity of North America to reduce its premium on the burglary insurance contract covering the department which was recently placed with it through the agency operated by the son of United States Senator Donahey of Ohio. The contract was formerly carried by the National Surety and there has been much discussion about the rates. The National Surety offered to write the business for \$48,000. There has been much controversy as to whether this rate was quoted before or after the business was placed with the Indemnity Company for \$56,000.

Hawthorne Is Injured

KANSAS CITY, MO., April 17.—A. G. Hawthorne, president Universal Adjustment & Inspection Company, independent insurance adjusting company, and M. R. Hogan, associated with Mr. Hawthorne, were severely injured when their motor car ran into the rear end of a truck on the outskirts of Columbia, Mo. Mr. Hawthorne, 42 years old, suffered a chest and head injury and Mr. Hogan a badly lacerated nose.

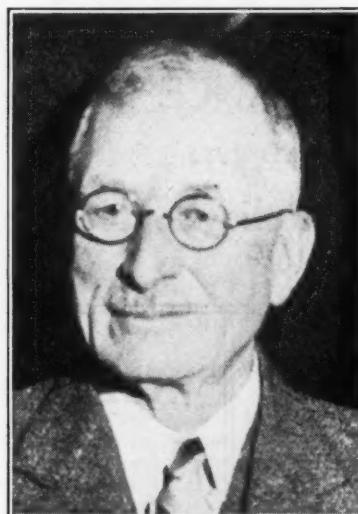
Plans for Duluth Dinner

Duluth insurance people are eager to stage a party for Frank Yetka, the newly appointed insurance commissioner of Minnesota, on April 26 that will rival the affair in honor of Mr. Yetka and the outgoing insurance commissioner, Garfield Brown, which took place in St. Paul. The Duluth Underwriters Association is to be host at the dinner. It will be a stag affair and will be well attended by agents and other prominent citizens in the community. The Duluth people are appropriating Mr. Yetka because his home is in Cloquet, 20 miles away.

Reinstate Reciprocal Provision

JEFFERSON CITY, MO., April 17.—The Missouri senate has voted in favor of an amendment to the insurance code to grant the superintendent the power to suspend or revoke the licenses of reciprocals under certain conditions. The new provisions are similar to the present laws and were left out of the new code bill when it was whipped into final form after C. M. Howell, reciprocal representative, made several trips to discuss the code with department officials. His objections resulted in elimination of several other provisions in the tentative code that were in-

Veteran Honored



FRANK E. COLEHOUR

Frank E. Colehour, veteran Rockford agent, was honored on his 70th birthday and his agency's 41st anniversary at a dinner at which many prominent company men were present, including H. J. Lambin, special agent, Buffalo; F. J. Dudley, Merchants of New York; R. V. Haser, Ohio Farmers; E. D. Loring, American Automobile; J. K. Cruett, H. B. Kelley, and H. A. Shactner, United States Fidelity & Guaranty; H. R. Prince and R. W. Wetzell, Northern of New York.

tended to increase the department's authority over reciprocals.

It is understood that before final perfection of the code by the senate an effort will be made to write in another amendment to compel reciprocals to pay a 2 percent premium tax. This provision was originally contained in the code but Howell caused its elimination.

The senate defeated an amendment to limit the number of employees of the department and their salaries.

Another amendment that was beaten was a provision that on the face of every policy a statement be printed that any provisions of the policy in conflict with the laws would be null and void.

Would Require Sprinklers

MILWAUKEE, April 17.—The judiciary committee of the common council has appointed a committee to draft an ordinance to require automatic sprinkler systems in basements of hotels and apartment buildings. The action follows the recent fire in the Hotel Astor which started in the basement and as the result of which two persons lost their lives. Fire Chief Peter Steinkellner told the judiciary committee that sprinkler systems would reduce fire insurance rates, resulting in savings that would more than pay for the initial cost, in addition to reducing hazards to life and property.

Get Pontiac School Cover

PONTIAC, MICH., April 17.—Intensive work by the Pontiac Association of Insurance Agents brought the organization the lion's share of the school board insurance. The 13 association agencies will divide the \$947,782 fire and \$300,000 boiler insurance. The Mill Mutual agency, Lansing, was given \$296,000 of the fire line and the Crawford-Dawe-Grove agency (non-affiliated) \$6,818.

Settle Sioux City Affair

SIoux CITY, IA., April 17.—The McManus-Sibert-Murdock Agency, recently thrown into receivership by its president, K. E. Innes, as the result of a sale to A. M. Davis Co., another

agency here, is now out of court and H. J. Gleason, secretary of Arthur Sanford & Co., has become a part owner. The appeal to the supreme court of receivership action has been dropped and A. M. Davis Co. has withdrawn any claim as purchaser. It is understood that L. W. Clark of Omaha, secretary, and E. E. Baron, attorney and vice-president, who engineered the sale, are no longer in the agency.

Topeka Department Criticized

The number of fires in Topeka is high, but the loss per fire and loss per capita is low, according to the National Board in a report on that city supplementary to one of June, 1928.

The water supply works are adequate, but contain some unreliable features; required quantities are available for engine supply in major portion of the principal mercantile district. Small mains limit supply in some other sections. The fire department is inadequate, undermanned and undertrained. The fire alarm system is insufficient and is not much used for transmission of alarms.

In the principal mercantile district, wide streets, low heights and a moderate amount of fireproof and sprinklered construction reduce the probability of sweeping fires, so that with the fairly adequate fire fighting facilities, a fire should not spread beyond the group or block of origin. In the minor mercantile and manufacturing districts, group fires are probable, particularly in the district to the north of the principal mercantile district. In the residential districts, the hazard is severe.

Omaha Officers Re-elected

OMAHA, NEB., April 17.—All officers of the Omaha Association of Insurance Agents have been re-elected: R. F. Stryker, George & Co., president; Phil Downs, vice-president; H. M. Higgins, treasurer. S. P. Smith, T. H. Maenner Company, is secretary, an appointive office.

Munro's Son with Jenkins

James R. Munro, son of D. J. Munro, Indiana special agent of the Hartford, has joined the Jenkins Brothers agency in Richmond, Ind. Mr. Munro is also a nephew of A. R. Monroe, retired president of the Newark Fire, who makes his home in Indianapolis. Young Mr. Munro attended University of Indiana and Miami College at Oxford, Ohio, and has had some local agency experience at intervals during his college course.

Abandon Delinquent Reports

The Illinois insurance department has notified companies that it has discontinued calling for reports of agents and brokers more than 90 days delinquent. When the plan was first initiated, reports were called for quarterly but this was changed to a semi-annual basis and is now being abandoned altogether.

Albert Dodge to Speak

Albert Dodge, prominent Buffalo agent and association worker, will be the speaker at the April 24 meeting of the Cleveland local board.

Two Recovering from Crash

F. B. Louk, veteran inspector Kansas Inspection Bureau, who was injured in an automobile accident last November near Hutchinson, Kan., is spending several weeks in Hot Springs, Ark., taking treatments and hopes to be able to resume his duties upon his return. G. M. Danley, injured in the same accident, has been at his desk half days for six weeks and is, gradually regaining his strength.

Honored for 50 Years' Service

Henry L. Culver, local agent at Peawaukee, Wis., was honored at a banquet April 15, at which he was pre-

sented with a gold medal for 50 years' service as an agent of the Home. C. H. Anderson, Milwaukee, state agent of the Home, and others of the company's field staff attended.

J. C. Brown Opens Own Agency

J. C. Brown, Milwaukee, manager of the insurance department of Dick & Reuteman Co. for the last eight years, has established his own agency. No successor to Mr. Brown has as yet been appointed by Dick & Reuteman.

Washington, Ind., Agency Sold

The Brown & Brown agency, at Washington, Ind., has been sold to Ralph G. Hastings and Smiley & Risley. C. W. Brown now is a fire com-

pany special agent in Illinois. R. W. Brown is convalescing from a recent illness and operation.

Makes Quarter-century Awards

The American of Newark has presented quarter-century service awards to these Iowa agents: Forshay Loan & Insurance Agency, Anita; J. C. Frick, Rockwell City, and G. A. Ide & Son, Creston.

Middle West Notes

L. R. Fields has purchased the agency of E. R. and E. P. Thompson, Cresco, Ia. F. A. Sucha, 59, an adjuster with the John D. Garmire Company of Omaha, died there following an operation. He was an active member of the Nebraska Blue Goose.

IN THE SOUTHERN STATES

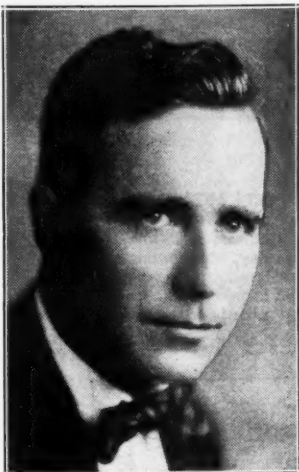
Excellent Work in Adjusting

San Antonio Papers Give Credit to the Companies in Settling the Hail Losses

Excellent work has been done in the adjustment of the hail losses at San Antonio due to the big storm March 5. The San Antonio papers did not hesitate to say that the adjustments are being made without friction and the policyholders as a rule think they have been dealt with fairly. The adjusters have been working long hours. The Fire Companies Adjustment Bureau had a force of over 50 men on the ground. Original estimate of the hail loss was \$1,000,000. The total claims filed to date are 5,600. There will be 400 or 500 more as rain has developed leaks in roofs. Total drafts paid to date amount to 4,600 and settlements are running about 200 a day. About 24,000 houses and other buildings were damaged by hail and wind. Of this number about 25 percent were insured. The property loss from the storm will probably run upwards of \$2,000,000. At the peak there were some 75 or more adjusters at work.

The Renner-Carmichael Agency, Fayetteville, Ark., has been incorporated by C. D. Carmichael, L. B. Carmichael and Maurice Renner.

New Commissioner



McKAY REED

McKay Reed of Louisville is to be the first commissioner under the revised supervisory set up in Kentucky. Heretofore the Kentucky commissioner has been the appointee of the state auditor. Now he is a direct appointee of the governor. Mr. Reed has been associated with his brother, Stanley Reed, as general agents for the John Hancock Mutual Life.

Storm Losses Are Heavy

Oklahoma Adjusters Swamped by Windstorm Claims Totalling Several Hundred Thousand Dollars

OKLAHOMA CITY, April 17.—The Oklahoma adjusters have been swamped with claims that will aggregate several hundred thousand dollars following the series of wind and hail storms, according to Elmer Hoyle, manager Fire Companies Adjustment Bureau here. A storm broke at Okmulgee and extended to Schuler and Morris, causing damage to hundreds of small buildings, and removing a roof from a drygoods store, which resulted in water damage to stock, estimated at \$5,000. This was perhaps the largest claim submitted, he said. The average loss ranged from \$25 to \$75, but the aggregate ran into real money. About ten days later a wind and hailstorm broke at Konowa, Bristow, Guthrie, Kingfisher, Altus, Snyder, Apache, Fort Cobb, Chickasha and Shawnee, causing a great deal of damage of similar character, and at Bristow attained cyclonic velocity. A hail storm at Kingfisher covered an area four miles wide and 20 miles long with the city in the center.

Jacksonville Board Elects; Albert Dodge Is Speaker

JACKSONVILLE, FLA., April 17.—New officers of the Jacksonville Insurers Association are: Guy L. Simmons, president; Quinlan Adams, vice-president; W. Blum, treasurer; T. T. Elware, secretary; L. P. McCord, Max Oberdorfer, H. R. James and the officers, directors. Mr. Adams, who recently moved to Jacksonville from Orlando, is a past president of the Florida Local Underwriters Association. Secretary Elmore held that office for many years.

Albert Dodge of Buffalo, N. Y., National Association of Insurance Agents executive committeeman, spoke to about 90 insurance men, including general and special agents, stamping office officials and independent adjusters. He talked on National association plans, including the new advertising propositions. He expressed the belief that mutual and reciprocal competition is becoming less serious, as indicated by the shrinkage of surplus of the major mutuals in the last five years. Mr. Dodge urged increased extension of local boards, and closer cooperation between general and special agents and local agents.

Texas 1934 Results Favorable

AUSTIN, TEX., April 17.—The official reports of fire insurance companies to the Texas department indicate that the fire record in Texas for 1934 was extremely favorable, with approximately \$23,000,000 premiums and

CGM SERVICE

Capacity—Plus

The facilities of the following companies are available to agents in Indiana:

AMERICAN EQUITABLE ASSURANCE COMPANY

Rated "A"—Excellent

INDIANA INSURANCE COMPANY

Rated "A"—Excellent

MANHATTAN UNDERWRITERS AGENCY (TOKIO)

Rated "A"—Excellent

NEW YORK FIRE INSURANCE COMPANY

Rated "A"—Excellent

PACIFIC NATIONAL FIRE INSURANCE COMPANY

Rated "A"—Excellent

STANDARD INSURANCE COMPANY OF NEW YORK

Rated "A"—Excellent

SWITZERLAND GENERAL INSURANCE COMPANY

Rated "A"—Excellent

Inquiries invited for agency appointment in Indiana.
Liberal Commissions

Cooling Grumme Mumford Company

8 East Market St.

INDIANAPOLIS

Riley 6452

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

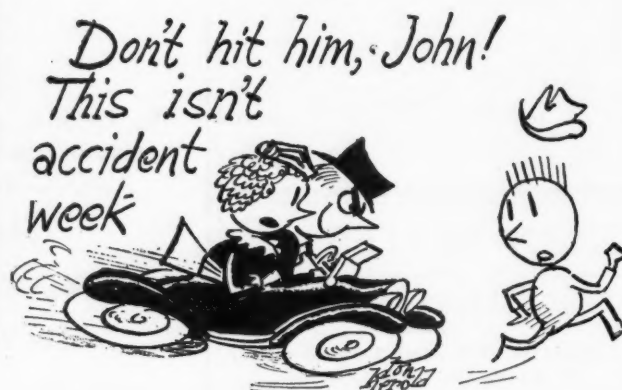
C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents



ALBERT DORNE, one of America's foremost commercial artists, whose work in colors brightens Travelers advertisements in national periodicals.

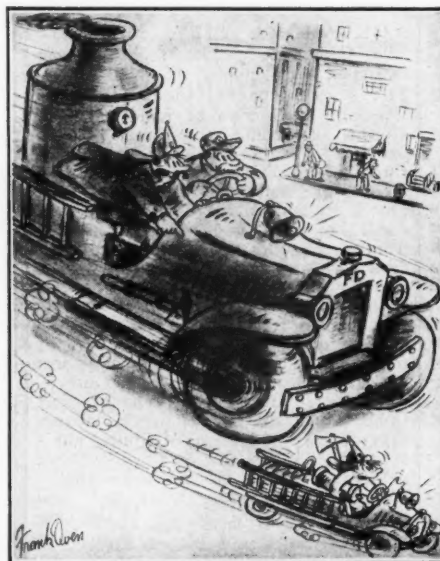
They're Drawing on



DON HEROLD, whose ludicrous drawings and witty writings are well known to readers of Life, College Humor and similar publications.



FRANK OWEN (right), whose "Little Philbert" cartoons created a minor national sensation when they began appearing in Collier's Magazine.



F. VAUX WILSON, versatile limner, who has illustrated many Saturday Evening Post serials and is now featured in The Travelers Protection.

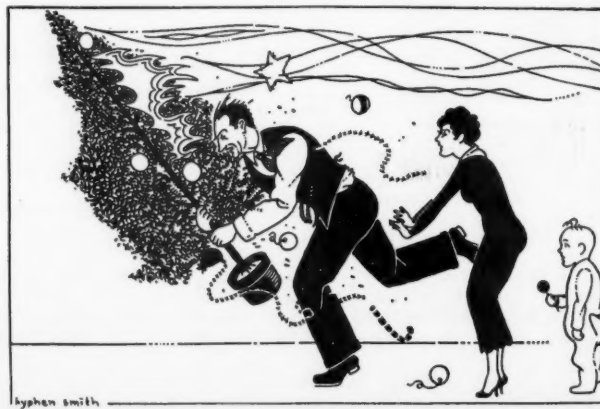


SHERM VOLZ, promising young caricaturist "discovered" by The Travelers and is fulfilling predictions made concerning his progress.



HYPHEN SMITH (right), whose human interest insurance stories are supplemented by his own cartoons in Protection and also The Spectator.

RAY F. ALLEN, whose varied talents are known to Protection readers and agents who use Travelers direct mail material.



THIS is an age of pictures.

Pictures save time, for many thoughts quickly and clearly by picture than by words. The proverb has it: "One picture is worth a thousand words." Since its earliest history—more than 70 years ago—man has recognized the value of pictures as a medium for certain sales ideas.

Represented on these pages are some of the best of the talents whose talents are being utilized today in the Travelers Insurance Company. They are helping to sell Travelers Insurance. They are helping to sell Travelers Insurance.

Each artist whose work is here presented to the insurance field by The Travelers Insurance Company has several instances was well made indicating their discovery by The Travelers Insurance Company. Several of them have been chosen by other insurance companies to work for them.

As the first company to write Accident Insurance, Aircraft Insurance and several other lines of insurance now common to the field, it is a natural pioneer in many promotional enterprises. It has been a pioneer in the use of pictures as a medium of advertising in newspapers and national magazines since the 'sixties. Its first automobile safety book—published in 1915—was a series of annual automobile accident surveys for the public 15 years ago. More recently it has used motion pictures as a medium of advertising.

These and other promotional activities help to Travelers representatives in the field of protection.

THE TRAVELERS

The Travelers Insurance Company
The Travelers Insurance Company
HARTFORD, CONN.

BILL HOLMAN (left), perhaps the foremost burlesquer-in-line of the day, whose work is featured by The Saturday Evening Post, Collier's, Liberty, etc.



MORTON HANCOCK, long a prominent contributor, whose cartoons and illustrations reveal him as one of the most talented artists of the day.

g on Your Account

ures.
for many thoughts can be expressed more
y picture than by words. A Chinese
e picture worth one thousand words."
—more than 70 years ago—The Travelers
ue of pictures as a means of conveying

se pages some of the better known artists
utilized day in the interests of those who
They drawing on your account.

work is presented was first introduced
by The Travelers. That the selection in
ell made indicated in the fact that, since
Travelers several of these artists have been
ce companies to work for them.

ny to with Accident Insurance, Auto-
Insurance and several other lines of cover-
field, it is natural that The Travelers should
tional enterprises. It was a leading adver-
d national magazines as far back as the
ile safety book—predecessor of its current
bile accident surveys—was introduced to
t. More than a decade ago, it was utilizing
dium of showing safety.

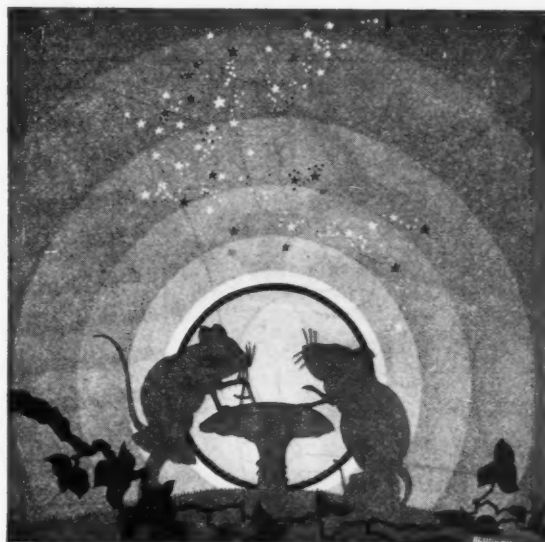
romotional activities are of incalculable
representations in the selling of Travelers

TRAVELERS

The Travelers Indemnity Company
Travelers Insurance Company
CONNECTICUT



FRANK LEFEVRE (left), many years a contributor to Travelers publications, whose versatility has been exhibited in many types of advertising work.



JULIAN I. MILLIMAN, Travelers staff artist, whose posters, direct mail designs and illustrations for national advertisements manifest his color mastery.



E. V. JOHNSON (left), prominent commercial artist, whose bold style has become familiar through its frequent appearance in national advertising.



GEORGE GIGUERE, painter of magazine covers and story-illustrator, whose "Safety Pays" posters have won him and The Travelers much commendation.

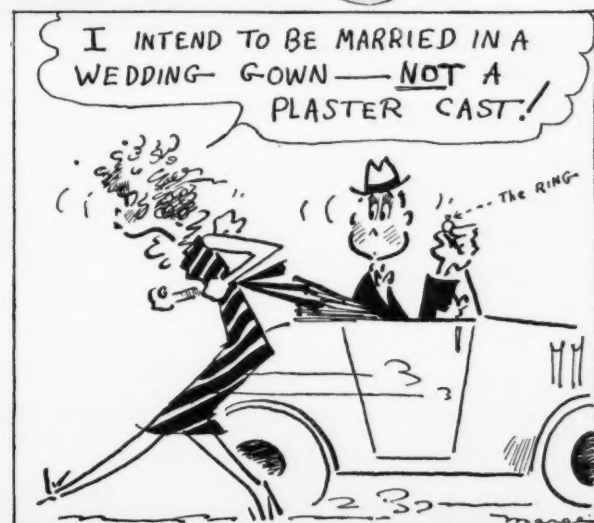


SAM BERMAN (left), ace caricaturist, who, after considerable work for The Travelers, stepped into the pages of Cosmopolitan, Red Book, Esquire, etc.

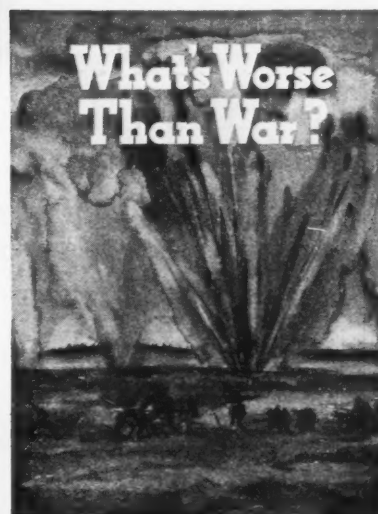


HOWARD SCOTT (below), whose unconventional and striking use of water color has been recognized by the World Peaceways movement as well as by The Travelers.

MARGE (below), whose cartoon delineations of madcap youth have enlivened the pages of practically all the leading magazines and newspapers.



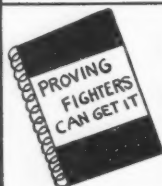
OTTO PEICHERT, another versatile commercial artist, whose work is familiar to agents using Travelers advertising material.



RALPH STEIN (left), whose creations appear in leading periodicals, also The Travelers lavish automobile safety book, "Thou Shalt Not Kill."

N HAN... long a Protection
or, whom... and etchings
n as one... the most conscient-
ts of the

WAS OUR FACE RED!




Excuse our blushes, but one Fire Fighter seems to think the Camden Fire Fighters Campaign is hot stuff! Maybe you'll think so, too. Ask for our Portfolio of Proof.

CAMDEN FIRE INSURANCE ASSOCIATION • Camden, New Jersey

SOUND ~ SOLID ~ SUCCESSFUL

ORGANIZED
1869



OLD MAN OF THE MOUNTAIN

CASH CAPITAL
\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE CO.
Manchester, N.H.

ASSETS... \$15,606,912.87

LIABILITIES EXCEPT CAPITAL
\$ 5,347,824.65

POLICY-HOLDERS' SURPLUS
\$10,259,088.22

VALUATIONS ON BASIS APPROVED BY NATIONAL CONVENTION OF INSURANCE COMMISSIONERS
SECURITIES CARRIED AT \$306,972.10 IN THE ABOVE STATEMENT ARE DEPOSITED AS REQUIRED BY LAW

65 YEARS OF ACHIEVEMENT

\$8,500,000 in losses, or a loss ratio of 37 percent. The five year record on which rates are based is much higher, being approximately 61 percent, due to the extremely high record of 1930-32.

While no general rate reductions for individual classes of risks have been earned this year, there will actually be a reduction in rates of approximately 4 percent, due to the effect of the new fire record credit effective March 1, which will mean an approximate saving of \$900,000 in premiums.

There are now 477 cities and towns with credits ranging from 3 to 15 percent, most of them enjoying the maximum credit of 15 percent, and 135 with penalties within the same range, with 30 receiving neither credit nor penalty.

Kurth Is New Member

Wilfred Kurth, president of the Home, is now a member of the Arkansas supervisory committee, having been elected at the annual meeting at Little Rock.

Hammond Exchange Elects

The Hammond (La.) Insurance Exchange has elected E. A. Herring president and reelected Miss Ella Siple as secretary. Miss Siple has served the exchange since its organization.

Bizzell Discusses Forms

W. S. Bizzell, assistant manager Oklahoma Inspection Bureau, spoke at the meeting of the Insurance Women's Association of Oklahoma City on "Single Reporting Forms."

Plan For Texas Meet

GALVESTON, TEX., April 17.—Jules Jacobs, president of the Galveston Insurance Board, will be general convention chairman for the annual meeting of the Texas Association of Insurance Agents here May 16-17. An executive session will be held on the afternoon of the first day. Eugene Battles of Los Angeles, National association executive committeeman, will represent that organization.

McKay Reed on Circuit

McKay Reed, newly appointed insurance commissioner of Kentucky, made his first public appearance before the April meeting of the Kentucky Fire Underwriters Association. He made a short talk and promised cooperation.

Mr. Reed made another appearance Tuesday of this week before a luncheon meeting of the Louisville Board. He also appeared at a regional meeting of the Kentucky Association of Insurance Agents at Ashland Wednesday of this week. At that meeting among the other speakers were D. H. Putnam of Ashland, G. E. Koeppen, branch manager Kentucky Actuarial Bureau; G. R. Reed, president Kentucky association; W. A. Reisert, national councillor; John Wharton, special agent; and G. B. Senff, the outgoing commissioner, who remains as deputy.

Whisky Receipt Regulations

LOUISVILLE, April 17.—The Kentucky securities department has taken a hand in the matter of distillers selling warehouse receipts, and resale of such receipts to the public.

Those applying for registration of whisky warehouse receipts must file standard fire, tornado, riot, strike and civil commotion policies written in companies admitted in Kentucky and issued by licensed agents, the policies to be issued in the name of the person, firm or corporation having custody of the whisky against which the receipts have been issued; with the name of the assured and requirement for the adjustment and payment of any loss thereunder, as follows: does hereby insure account of legal holders of warehouse receipts issued against the whisky insured, and any loss hereunder shall be adjusted with and paid to said trustee for the benefit of the legal holders of said warehouse receipts

as complete payment of liability hereunder by said insurer.

Insurance against these hazards shall be at all times maintained in amounts equal to the value of the whisky owned by holders of warehouse receipts.

There has been some inquiry regarding an all risk type of coverage on whisky to guarantee investors against loss from warehouse by any cause.

McDowell Deputy Fire Marshal

H. J. McDowell of Moulton, Ala., has been appointed chief deputy fire marshal of Alabama. He will operate under the direction of Superintendent of Insurance Julian.

Southerland on Southern Trip

T. J. Southerland, secretary of the North British & Mercantile in charge of the southern department, has left New York for an extended trip through his territory.

News of Pacific Coast States

Will Meet the Competition

Standard Companies Determined Not to Permit Outsiders to Get Advantage in Washington Before July 1

SEATTLE, April 17.—Board fire companies doing business in Washington are expected to maintain competitive rates even at the expense of filing further deviations, if necessary, should non-standard companies attempt to gain a rate advantage before July 1, the date the newly-enacted rate regulatory law

Commissioner Reed Names Kentucky Department Aids



LEO THIEMAN

FRANKFORT, KY., April 17.—Commissioner McKay Reed has appointed W. M. Brown, Lexington, manager of the fire prevention and rate division. Leo Thieman, Louisville, former secretary of the Louisville Board, and W. B. Wessels, Covington, have been appointed field agents. Deputy Commissioner C. I. Brown will be retained in the department as auditor. W. M. Brown was chief deputy in charge of the fire prevention and rates department prior to its merger with the insurance department.

J. I. Sanders, Pikeville, Ky.; W. E. Rogers, Jr., Guthrie, Ky., and M. B. Berry, Paducah, Ky., have also been named to posts in the department. Mr. Berry was formerly state agent of the Fidelity-Phenix.

INSURANCE ATTORNEYS

• The Insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**LAW OFFICES OF
Coleman, Spain, Stewart
& Davies**
706 to 719 Massey Building
Insurance Attorney
Birmingham, Alabama

ARIZONA

**KIBBEY, BENNETT, GUST,
SMITH & ROSENFELD**
PHOENIX, ARIZONA
John L. Gust Fred W. Rosenfeld
Frank O. Smith H. L. Divelbess
Ivan Robinette
GENERAL INSURANCE PRACTICE

FREDERIC G. NAVE
512 The Valley Nat'l Bank Bldg.
Tucson, Arizona
The Fidelity & Cas. Co., of N. Y., U. S.
Guarantee Co., The Travelers Ins. Co., The
Security Ins. Co., Connecticut Indemnity Co.,
and others.
Specializing in trial of insurance cases.

CALIFORNIA

HAROLD M. CHILD
431 Brix Bldg.
Fresno, Calif.

Herbert Moore
427-8 First National Bank Building
Long Beach, California
Equipped for investigations, adjustments,
settlement of claims and trial of all cases.

**CLOCK, McWHINNEY &
CLOCK**
Counsel for many Insurance Companies
OFFICES
1812 Citizens Natl. Bank—630 Jergina Trust
Los Angeles Long Beach

**HOLBROOK, TAYLOR,
TARR & REED**
710 Title Insurance Building
Los Angeles, California
Equipped for adjustments, investigations, and
trial of all cases.

Irving E. Read
910-742 S. Hill St.
Los Angeles, California
Specializing in Trial Work. Claims referred
to competent adjusters. Member of Chicago
Bar from 1912 to 1929.

Attorneys—Adjusters
WILLETT & WILLETT
820-824 W. M. Garland Bldg.
Los Angeles, California
Equipped for immediate attention to claim ad-
justments and insurance litigations. Thirty
years experience. Members California State
Bar.

F. M. OSTRANDER
Bank of America Building
Merced, California

CALIFORNIA (Cont.)

CORNELL & BRACK
Black Building
Modesto, California
Equipped for Adjustments—Investigations.
Trial of All Insurance Cases.

Dunn, White & Aiken
Sixth Floor, Syndicate Bldg.
Oakland, California

ERROL C. GILKEY
1203-1207 Central Bank Bldg.
Oakland, California
Equipped for adjustment, investigation and
settlement of insurance cases, also trial
of cases.

**BUTLER, VAN DYKE
& HARRIS**
604 Capital National Bank Bldg.
Sacramento, Calif.

STICKNEY & STICKNEY
1111 First National Bank Building
San Diego, California
Equipped for adjustments, investigations and
trial of all cases.

W. N. MULLEN
155 Sansome St.
San Francisco, California
Home Office General Claims Attorney
Ten Years.

C. Douglas Smith
I. O. O. F. Building
Santa Maria, California
Trial of cases and complete claims service in
Santa Barbara and San Luis Obispo Counties

STEPHEN N. BLEWETT
919-24 Bank of America Bldg.
Stockton, Calif.

E. I. FEEMSTER
420-422 Bank of America Building
Visalia, California

COLORADO

Smith, Brock, Akolt & Campbell
13th Floor Telephone Bldg.
Denver, Colorado

COLORADO (Cont.)

Gabriel, Mills & Mills
524-9 Kittredge Bldg.
Denver, Colorado

DELAWARE
WILLIAM PRICKETT
812 Delaware Trust Building
Wilmington, Delaware
Investigations, Adjustments and Trial
of All Cases
(Employers' Group, Liberty Mutual, Hardware Mu-
tual, Massachusetts Bonding & Insurance, Factory
Mutual, St. Paul Mercury, Zurich, etc.)

GEORGIA
**BRYAN, MIDDLEBROOKS &
CARTER**
LAW OFFICES
Suite 1030 Candler Building
Shepard Bryan John A. Dunaway
Grover Middlebrooks W. H. Week
Chauncey Middlebrooks Yantis C. Mitchell
W. Colquhoun Carter
ATLANTA, GEORGIA

ILLINOIS
**CASSELS, POTTER &
BENTLEY**
1060-209 South La Salle Street
Chicago, Illinois

Dent, Weichert & Hampton
1111 The Rookery Building
Chicago, Illinois
Special attention to the law relating to all
classes of Corporate Surety Bonds

CHARLES C. KIRK
812-111 W. Monroe St.
Chicago, Illinois
Special attention to occupational disease
cases and the medico-legal preparation and
trial.
Author recent articles that appeared in The
National Underwriter

**Schuyler, Weinfeld &
Hennessy**
231 South La Salle Street
Chicago, Illinois

Silber, Isaacs, Clausen & Woley
Attorney & Counselors
208 South La Salle Street
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

LAW OFFICES
WILBER H. HICKMAN
Investigations, Adjustments, Trials
Paris, Illinois

ILLINOIS (Cont.)

CLARENCE W. HEYL
8th Floor Central National Bank Bldg.
Peoria, Illinois
Trial of Insurance cases; representing
MARYLAND, FIDELITY & CASUALTY,
ROYAL, GLOBE, EAGLE, BANKERS
INDEMNITY AND OTHERS.

BROWN, HAY & STEPHEN
714 First National Bank Bldg.
SPRINGFIELD

**GILLESPIE, BURKE &
GILLESPIE**
504 Reich Building
SPRINGFIELD, ILLINOIS
Trial of all cases—adjustments—investigation.

INDIANA
GEORGE A. HENRY
INSURANCE ATTORNEY
504-5 Meyer-Kiser Bank Building
Indianapolis, Indiana
Specially equipped to handle
Investigations—Adjustments—Litigations

Slaymaker, Merrell & Locke
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-709 Consolidated Building
INDIANAPOLIS

White, Wright & Boleman
Merchants Bank Building
Indianapolis, Indiana
Counsel for: Aetna Life Group, Fidelity & Cas. Co.
of N. Y., Globe Ind. Co., Hartford Acc. & Ind.
Co., New Amsterdam Cas. Co., Preferred Ass. Ins.
Co., Royal Ind. Co., Standard Acc. Ins. Co., Amer.
Surety Co., General Acc. Assur. Corp., Mass. Bond-
ing & Ins. Co., Ocean A. & G. Corp., U. S. Cas.
Co., Pacific Mut. Life, Great Northern Life, Lincoln
Natl. Life, Mass. Protective Assn., and other lead-
ing Life, Casualty and Surety companies.

IOWA
**DEACON, SARGENT &
SPANGLER**
915 Merchants Bank Bldg.
Cedar Rapids, Iowa
Equipped for Investigations, Adjustments and
Trial of All Insurance Cases

Smith & Swift
704-705 Kahl Building
Davenport, Iowa
Equipped for Investigations, Adjustments and
Trial of Cases

HAVNER, FLICK & POWERS
641 Insurance Exchange Building
Des Moines, Iowa
Equipped for Investigation, Adjustment and
Trial of Cases

Jesse A. Miller Oliver H. Miller
Frederic M. Miller J. Earle Miller
Miller, Miller & Miller
LAWYERS
1316-1318 Equitable Building
Des Moines

INSURANCE ATTORNEYS

• The insurance law firm whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

IOWA (Cont.)

REED, BEERS & GRAHAM
537 Black Building
Waterloo, Iowa

Equipped to try cases in state and federal court and make adjustments, investigations and settlements.

KANSAS

Doran, Kline, Colmery, Cosgrove
900 National Bank of Topeka Bldg.
Topeka, Kansas

Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

KELLER, MALCOLM & BURNETT
294-296 National Bank Building
Pittsburg, Kansas

Counsel for: Aetna Group, Employers Group, Standard Accident, Central Surety, United States Fire, Fireman's Fund and others.

Specializing in Insurance Law. Equipped for Trial of Cases, Investigations and Adjustments over South-eastern Kansas.

KENTUCKY

BLAKEY, DAVIS & LEWIS
Kentucky Home Life Building
Louisville, Kentucky

Investigations, Adjustments and Trial of all Insurance Cases

Woodward, Hamilton & Hobson
Insurance Attorneys
615-24 Inter-Southern Bldg.
Louisville, Kentucky

MARYLAND

Law Offices
WALTER L. CLARK
Walter L. Clark Roszel C. Thomsen
Clater W. Smith
1917 Baltimore Trust Building
Baltimore, Md.

MICHIGAN

BEAUMONT, SMITH & HARRIS

2900 Union Guardian Building
Detroit, Michigan

Payne & Payne
1026 Lafayette Building
Detroit, Michigan
Michigan Attorneys for U. S. F. & G. Co.

Michelson & Pearlstine
610 F. P. Smith Building
Flint, Michigan
Insurance Companies represented U. S. F. & G. and others.
Trial of cases. Claims, adjustments, investigations. Trials in all courts.

MICHIGAN (Cont.)

Northern Half of Lower Michigan
Austin J. Spalding, Attorney
Lake City
Exclusively Insurance Company Service
Full time traveling and direct reports from field on all territory North from State Highway U. S. 10.
Investigations—adjustments—court work.
Representing Employers Group, General Accident Assurance Corp., American Automobile Ins. Co., London Accident & Guaranty, and others.
Telephone Lake City 31
Western Union and Postal—Cadillac, Michigan

PIERSON & KARLS

201 Bearinger Building
Saginaw, Michigan

MINNESOTA

SEXTON, MORDAUNT, KENNEDY & CARROLL

Adjusters and Investigations sent to any place in the Northwest

Pioneer Building, Security Bldg.
St. Paul, Minn. Minneapolis

MISSOURI

Harris, Price and Alexander
517 Guitar Building
Columbia, Missouri

List of Companies furnished on request.
Trial of Cases, Investigations & Adjustments Covering Northern, Southern and Central Missouri

HOOK & THOMAS
Federal Reserve Bank Building
Kansas City, Mo.

Langworthy, Spencer & Terrell
615 Commerce Trust Building
Kansas City, Mo.

MORRISON, NUGENT, WYLDER & BERGER
17th Floor Bryant Building
Kansas City, Missouri

Investigations, Adjustments and Trial of all Cases.

PAUL C. SPRINKLE

Dierks Building
Kansas City, Mo.

Brown, Douglas & Brown
Tuttle-Lacy National Bank Building
St. Joseph, Missouri

STRINGFELLOW & GARVEY
Donnell Court
St. Joseph, Missouri

Counsel for:
Aetna Group; Standard Accident; Zurich; Globe, Royal and Great Am. Ind. Co.; Lumbermen's Mut.; Liberty Mut.; General Accident; Preferred Accident; Am. Motorists; Farmers Auto. Inter-Ins. Exch.; Indemnity Ins. Co. of N. A.; T. H. Martin & Co.; Ohio Casualty Co.; National Casualty Co.; and more than 50 other companies.

MISSOURI (Cont.)

ALLEN, MOSER & MARSALEK
Pierce Building
St. Louis, Mo.
Insurance Companies Represented
London, Zurich, Employers, Maryland, Globe, Aetna, etc.

Wayne Ely and Tom Ely, Jr.
Bank of Commerce Building
St. Louis, Missouri
Dist. Counsel Fidelity & Cas. Co. of N. Y.
General Trial
Counsel S. S. Kresge Co. (Self-Insurers)
Specialize in trial of cases.

GREEN, HENRY & REMMERS

Boatmens Bank Building
St. Louis, Missouri

GREENSFELDER & GRAND

705 Olive Street
St. Louis, Missouri

FRANK W. HAYES
Special Assistant Attorney General
of Missouri
Katie Building
SEDALIA, MISSOURI
Represent Loyalty Group and other Casualty & Fire Ins. Cos. Trial of cases in all Federal and state Courts. Investigations and Adjustments.

NEBRASKA

Burkett, Wilson, Brown & Van Kirk

882 First National Bank Building
Lincoln, Nebraska
Equipped for investigations, adjustments, settlement of claims and trial of cases.

Rosewater, Mecham, Shackelford & Stoehr
1028-40 City National Bank Building
Omaha, Nebraska
Investigations — Adjustments — Trial work
Nebraska and Western Iowa.

NEW JERSEY

Samuel M. Hollander
COUNSELLOR AT LAW
Lefcourt Newark Building
Newark, N. J.
Investigations—Adjustments and Trial of all Insurance Cases.

NEW YORK

David F. Lee David Lerone David J. McAvoy
LEE, LEVENE & McAVOY
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

Harold ALPERT & Herman M. GOLDBERG
Counsellors at Law
Harold Alpert, Certified Public Accountant
44 Court Street, Brooklyn, N. Y.
Investigations, Adjustments and Trial of all cases.

NEW YORK (Cont.)

Wendell P. Barker
52 Wall Street
New York, New York

OHIO

WOESTE & QUIN

302 Atlas Bank
Cincinnati, Ohio
Investigations, adjustments and trial of all cases.

WILBUR E. BENOY

Equipped for investigations, adjustments and trial work throughout Central Ohio.

2910 A. I. U. Citadel
Columbus, Ohio

Byron D. Kuth

1121 Guarantee Title Building
Cleveland, Ohio

Federal and State Court Trial Work
Investigations and Adjustments

JOHN H. McNEAL

502 Auditorium Bldg. 1367 East Sixth St.
CLEVELAND
Phone Main 1929
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio

PRICE & PRICE

812 Leader Building
Cleveland, Ohio
John H. Price, Sr. William Hughes Price
John H. Price, Jr. Newman S. Price
General and Trial Practice in State and Federal Courts

Doyle & Lewis

Nicholas Building
Toledo, Ohio

Barnum, Hammond, Stephens & Hoyt

807-812 Mahoning Bank Building
Youngstown, Ohio
Adjustment Department
W. Carlton Young in Charge
Auto—Fire—Theft—Collision—Liability
Property Damage—Marine—Burglary

OKLAHOMA

Kruse and Edwards

Base Building
Enid, Oklahoma
Ins. Companies represented: U. S. Cas., Liberty Mutual, Bankers Indemnity, Lumbermen's Mutual, Yorkshire and others.
Operating in Garfield County, Kay-Noble Grant. All counties west to Colorado and Texas Line.
Equipped for Claims Investigations and trial of all cases.

Abernathy & Howell

LAW OFFICES
First National Bank Bldg.
Oklahoma City, Okla.
Representing Royal Ind. Co., Eagle Ind. Co., Great American Ind., and others. Equipped for investigations, adjustments, trial all insurance cases.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have their recommendation and endorsement of The National Underwriter

OKLAHOMA (Cont.)

Embry, Johnson, Crowe & Tolbert
First National Building
Oklahoma City, Oklahoma

MILEY, HOFFMAN, WILLIAMS, FRANCE & JOHNSON

1039 First National Building
Oklahoma City, Oklahoma
Equipped to handle claim investigations.
Trial of all Classes Insurance Cases.

Pierce, McClelland, Kneeland & Bailey

829-838 Hightower Building
Oklahoma City, Oklahoma

JAMES H. ROSS

JAMES S. ROSS, Deceased
Suite 701, Perrine Bldg.
Oklahoma City, Okla.
Representing Aetna Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Car & General, American Auto Ins. Co., Maryland Cas. and others. Equipped for Investigations, Adjustments and Trial All Insurance Cases.

Allen, Underwood & Canterbury

Fifth Floor Oklahoma Building
Tulsa, Oklahoma
Representing
Home Indemnity Co., Employers
Liability Assurance Corp.
Equipped to handle trials of
insurance cases in Eastern
Oklahoma.

GIBSON, MAXEY & HOLLEMAN

325 Exchange National Bank Bldg.
TULSA, OKLAHOMA
Equipped to handle claims, adjustments and trial of all Insurance cases.

HUDSON & HUDSON

707 Ritz Bldg.
Tulsa, Okla.

OREGON

Collier, Collier & Bernard

Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

E. L. McDougal

1437 American Bank Bldg.
Portland, Oregon
Equipped for Adjustments, Investigations and Settlement of Claims

RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turks Head Building
Providence, R. I.
Trials—Investigations—Adjustments

SOUTH DAKOTA

BAILEY & VOORHEES

Charles O. Bailey (1860-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottom
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
INSURANCE PRACTICE

TENNESSEE

Trabue, Hume & Armistead

American Trust Building
NASHVILLE, TENN.

TEXAS

WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

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becomes operative. Such was the general sentiment both in Seattle and San Francisco fire insurance circles during the past week. H. F. Mills, chairman of the Washington advisory committee, was in Seattle to confer with the contact committee of the Insurance Agents League of Washington. Attending a special session of the committee were

R. J. Martin of Spokane, chairman; H. E. Briggs, Seattle; Wallace W. Miller, Yakima, members of the agents' committee; George R. Thieme, chairman of the executive committee and Irwin Mesher, executive secretary.

The new law becomes effective June 14 and specifically provides that companies doing business in the state must

between that date and July 1 comply with the provisions of the act. Among these is the filing of experience by all companies desiring to deviate. No companies have indicated their intention of removing their deviations and filing experience before July 1, leaving the first move to Commissioner Sullivan, who has stated that he is not decided as to

what course of action the department will pursue. It is understood that Commissioner Sullivan, in conjunction with George Downer, assistant attorney general, will issue an official interpretation of the requirements of the new rate law. Pending publication of the interpretation, the standard companies are taking no action, and it is understood that fur-

ther deviations will be filed if such a step is necessary to maintain the present equality of rates among all companies.

Two Candidates Mentioned

Chambers or McInroy May Be Named Provisional Commissioner in Colorado If Cochrane Ousted

DENVER, April 17.—There are rumors here to the effect that two prominent insurance men are likely successors to Jackson Cochrane in his office of insurance commissioner. One report is that John Chambers, recently appointed receiver of the Republic Mutual, might be appointed by Governor Johnson if Cochrane is removed.

The other report, which seems to have more basis, is that James P. McInroy, general agent State Life of Indianapolis, will soon be provisional commissioner. McInroy was campaign manager for Governor Johnson. As yet, the civil service commission has failed to take any action on the senate's recommendation concerning Cochrane. That the senate is keeping its promise to push the matter after adjournment is evident, since John Nolan, chairman of the special investigating committee, is urging the commission to take some sort of action. If Cochrane should be removed, the governor would have the power to appoint a provisional commissioner until an examination could be held.

Even if the civil service commission

does not take action, the state employee retirement law, just passed, will affect Cochrane, according to Senator Ammons, who inspired the investigation. The law requires that any employee over 50 is to be automatically retired, and Cochrane is far beyond that age limit.

Federal Judge Symes, in appointing a receiver for the American Life of Denver last week, stated: "It appears that the insurance commissioner has been conversant with the affairs of the company for nearly a year and permitted it to continue in operation."

Insuring Colorado Institutions

DENVER, April 17.—Governor Johnson has signed the bill which permits the purchase of fire insurance on state buildings and institutions. He has also signed the measure providing for bonding of public money deposits, and the bill permitting school districts to provide liability insurance for school buses.

The state has wasted no time in taking advantage of the new revisions in the fire fund bill. Heretofore, the fund prohibited the purchase of fire insurance on state buildings, and it was learned that already the state is taking steps to insure the new buildings at the hospital for the insane at Pueblo. The state has asked the Pueblo Association of Insurance Agents to prepare a general form covering all buildings and contents. One of the provisions in the fire fund bill as it now stands is that the insurance is to be purchased from private companies.

Washington Meeting July 11-13

SEATTLE, April 17.—The annual meeting of the Insurance Agents League of Washington probably will be held July 11-13 in order to secure speakers who will be in Seattle July 9-11 for the meeting of the National Convention of Insurance Commissioners. The league planned originally to meet in Bellingham but has now about decided on Seattle.

Favors Radio Communication

DENVER, April 17.—Manager of Safety Guthner is studying a proposal to put two-way fire radio communication in operation. Plans for putting this equipment in police patrol cars and fire trucks to permit communication from the cars to headquarters, as well as the other way, has been considered for some time.

Agency Limitation Upheld

SALEM, ORE., April 17.—The Oregon supreme court has rendered a decision against the Northwestern National ruling that a company cannot have more than two agents in Portland without a fee of \$500 for each additional agent.

To Protect Policyholder

LOS ANGELES, April 17.—S. L. Carpenter, Jr., recently appointed California insurance commissioner, on his first official visit to Los Angeles stated that his chief aim will be protection of policyholders. "The insuring public has a right to expect that insurance shall be sound," he said. "It will be my earnest endeavor to see that policyholders are properly protected and that companies observe the laws under which they do business." He said the insurance laws are "a little lax" as to certain types of companies, but that legislation is now before the legislature to correct the situation.

Oregon Applicants Narrow Down

PORTLAND, ORE., April 17.—Governor Chas. Martin has not as yet named Oregon's insurance commissioner. The list of applicants now has narrowed down to Del Beard, Portland insurance executive; Fred Brennan and William Graham, both of Portland, and Hugh Earle, Eugene. Norman Lips-

comb of Portland has withdrawn as a candidate.

Honor Boyle in Portland

PORTLAND, ORE., April 17.—H. J. Boyle, general manager Pacific Coast department of the Fire Companies' Adjustment Bureau, was guest of honor at a dinner here. He talked on the method of operation of the bureau, the importance of cooperation among agents, special agents and adjusters, and the cost of making adjustments. W. J. Moe, Portland branch manager of the bureau, presided.

Utah Department Field Man

SALT LAKE CITY, April 17.—Commissioner E. A. Smith has appointed C. N. Ottosen, for some time an investigator for the Salt Lake county and district attorney's offices, field representative of his department. Mr. Ottosen is a lawyer.

He is the first assistant, outside of a stenographer, that a Utah commissioner has been given for many years, in spite of considerable agitation by insurance men in his behalf.

The legislature passed a bill authorizing a full complement of officers for the department but failed to make appropriation. In addition to a field man, the department was to have three or four other new officials.

Huskins Opens Own Agency

G. C. Huskins has resigned from the General of Seattle staff in Los Angeles to form his own general agency, which will operate as Huskins & Co. at 707 South Hill street, Los Angeles. D. D.

Batcheler is associated with Mr. Huskins in the new firm. He was formerly with the Old Line Underwriters of Los Angeles.

Hall & Rambo Gives Notice of Quitting Board Carriers

SAN FRANCISCO, April 17.—According to reliable advices, Hall & Rambo, one of the largest local agencies in northern California, has notified several Pacific Board fire companies it has represented for many years of its intention to resign the connection. According to certain managers the letter was not definite and left open an opportunity to confer and bring about some adjudication. On the other hand, reports are rife that the firm contemplates going non-board with the Pearl fleet.

Win Awards for Exhibits

Boy Scout Troop 404, sponsored by Insurance Post 404 of the American Legion, under Scoutmaster Jack Doorschodt of the Reliance Life, won first prize for its exhibit of firemanship at the Merit Badge Exposition in San Francisco on the occasion of the visit of Lord Robert Baden-Powell. The troop also won six special ribbons.

Second prize was won by the traffic safety exhibit sponsored by the Fireman's Fund in cooperation with the San Francisco police department.

The interests of George Mortimer in the Consolidated Insurance Agency, Wallace, Ida., have been taken over by Farmin & Rothrock of Spokane. Mr. Mortimer has moved to Boise.

EASTERN STATES ACTIVITIES

Damage to Many Properties

Fire in Vacant Factory in Haverhill Causes Sprinkler Heads to Open in Surrounding Properties

HAVERHILL, MASS., April 17.—Fire of undetermined origin which swept through the unoccupied Lenox & Briggs six story brick building on Duncan street in the leather district of Haverhill and resulted in heavy damage to surrounding properties, caused a total loss of some \$100,000. When discovered the flames were sweeping almost every floor in the Lenox & Briggs building, which was leveled to the ground. There was no insurance on the vacant factory, where the loss was estimated at \$40,000. Sprinklers had been turned off in the factory since 1933. A greater part of the remaining \$60,000 loss was due to water, from sprinkler heads opening when heat caused breakage of windows and from the tons of water thrown into the buildings by the fire department.

Other properties involved included: Anasim Realty Co.; five story and basement brick building, tenant occupancy, ten sprinkler heads let go.

George L. Valhoul, findings, loss \$2,000.

Melvin Box Co., loss \$2,000. Burgess, Lang & Tilton, 8-story and basement concrete building. Several sprinkler heads opened. Tenant manufacturing.

Brown Counter Co., loss \$2,000. Hamel Sole Co., loss trifling. Friendlander Shoe Co., loss \$1,000. Shapiro Shoe Co., loss \$1,000. Simon Shoe Co., loss \$5,000. Golden Leatherboard Co., loss \$1,000. Haverhill Shoe Novelty Co., loss \$2,500.

George D. Killam, loss \$500. Aaron Wooden Heel Co., loss \$5,000. Massachusetts Cities Realty Co., six story brick building; tannery, mostly vacant; windows broken, sprinkler heads opened.

F. Archibald, Inc., loss \$5,000.

Pentucket Associates, 7 story and basement brick sprinklered building, 200 windows broken, 2 tenants, loss small.

Hoadley With Fireman's Fund

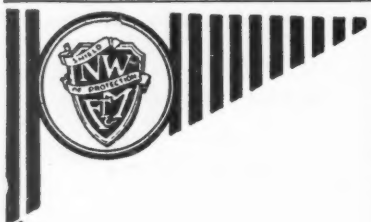
C. C. Hannah, eastern manager of the Fireman's Fund, announces the appointment of Philemon Hoadley as engineer to assist New Jersey representatives in their rating and inspection work. Mr. Hoadley is the third generation of the family to follow the fire insurance business, being the son of Frederick Hoadley, secretary of the American of Newark, and grandson of the former president of that company, the late P. L. Hoadley. He has been with the Schedule Rating Office of New Jersey for 11 years, and is thoroughly versed in rating practice. An uncle, G. O. Hoadley of San Francisco, is Pacific Coast manager of several fire companies.

Hunt's Qualification Bill Introduced in Pennsylvania

PHILADELPHIA, April 17.—Commissioner Owen B. Hunt's agents qualification bill has been introduced in the legislature. It provides for a year's apprenticeship as a full time solicitor in a recognized broker's or agent's office. An apprentice must pass an examination and pay a \$10 fee at the end of his year's apprenticeship. A further examination must be taken to become either an agent or broker. The bill does not affect the present agents or brokers except to increase the license fee to \$10 when the present license expires.

Under the proposed law, present brokers and agents, at the expiration of their present licenses, would have to pay a \$10 fee for renewal. It is this portion of the bill which is expected to end for all time the Philadelphia agents' argument with the companies on the branch offices and soliciting agents.

The agents have contended that they would not oppose the soliciting agents if



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those agents were made to pay a fee of \$5 or \$10. They have gone on the assumption that should such a charge be made, some ninety percent of the present soliciting agents in Philadelphia would not renew their licenses.

Under the present law, brokers pay \$5 for their licenses and agents of non-resident companies \$2. Agents of Pennsylvania companies do not have to pay any license fee but the companies have been paying a "courtesy fee" of fifty cents per license.

It is said that a large number of these Philadelphia soliciting agents do not pay for more than \$100 a year in premiums and that they would discontinue their agents' licenses rather than pay the \$10 a year license fee.

School Rates Are Cut

The New York Fire Insurance Organization announces a reduction of 25 percent in fire insurance rates on Syracuse school buildings. The new rate on the modern, fire-proof buildings carries a reduction of 42 percent.

Meriden Board Reelects

MERIDEN, CONN., April 17.—Joseph DiPersio has been reelected president of the Meriden Board. Other officers reelected include A. J. Mastriano, vice-president; P. L. Glazer, secretary, and J. B. Kirby, Jr., treasurer. Twenty-two agents attended the annual meeting, at which Col. H. P. Dunham, retiring insurance commissioner, and D. W. Lanouette, representing the Wallingford Board, spoke.

Rochester Board Meeting

At the meeting of the Rochester, N. Y., Board this week, plans will be started to look after the local arrangements of the annual convention of the National Association of Insurance Agents to be held in that city the week of Sept. 22. A. L. Griffith has been appointed a director of the board to fill the vacancy created by the death of B. P. Mills, who was president for four years, and secretary for 15 years. Mr. Griffith is vice-president of the E. F. Ashley Agency.

Quarterly Meeting Held

BOSTON, April 17.—At the quarterly meeting of the New England Insurance Exchange, W. A. Baumann, special agent American Equitable Assurance, and G. B. Salter, special agent Providence Washington, were elected active members. Honorary membership was conferred on D. F. Bennett and T. H. Flaherty. The exchange has issued new tariffs for Beverly and Manchester, Mass., and has voted for a new tariff rate for Addison and Chittenden counties in Vermont.

Two Agencies Appointed

The Continental Assurance (life) has appointed two general agencies, Leo Schlaudecker & Co. of Erie, Pa., formed in 1873, and Rockey & Henry of Harrisburg, Pa. Both represent the Continental Casualty as general agents for accident and health, and do a general insurance business. Schlaudecker & Co. is managed by Daniel Murphy for the widow of the late Leo Schlaudecker, Jr., who ran the agency for many years following his father's death. F. V. Rockey and J. R. Henry are the partners in Rockey & Henry. Mr. Henry was president and Mr. Rockey secretary of the old Pennsylvania Surety which was liquidated in 1924. They organized their agency at that time.

Two New Members

Gruber & Lynch and Willis-Hanssler & Co. were elected to membership in the Association of Local Agents of the City of New York at the quarterly meeting.

Eastern Notes

Mathog & Brenner, New Haven, Conn., has been incorporated by Nathan, Bessie and William Mathog.

The Meridian Agency of Jersey City has been incorporated by George Zeller, Arthur Schnitzer and Marion Meredith.

Motor Insurance Events

Coast Non-Board Group Is to Move to San Francisco

SAN FRANCISCO, April 17.—Plans are now being completed to bring the offices of the West Coast Automobile Underwriters Conference, which was organized last month by non-affiliated automobile writing companies, to San Francisco in accordance with organization plans. At present the conference headquarters, under the management of A. L. Johnston, are in Los Angeles.

At the first meeting here of the Automobile Conference of Northern California, organized as the local unit of the parent conference, informal discussion centered principally on rates and territories. Neal Weaver of the Pacific Indemnity is president of the Northern California group.

It is expected the removal of the headquarters will be completed prior to May 1, when all rules and rates of the conference become effective on new and renewal business.

Approve Illinois Code

Members of the Illinois Automobile Insurers, an organization of Illinois automobile companies, held a meeting at Springfield last week and adopted a resolution recommending consideration and approval of the proposed new Illinois insurance code. C. L. Morris, secretary Illinois National Casualty, presided at the meeting as president. Members of the group are: Western States Mutual, Madison County Mutual, Autoist Mutual, Central Mutual, Standard Mutual, State Farm Mutual, Franklin Mutual, Iroquois Auto Underwriters, Chicago Lloyds, Economy Auto, Suburban Auto, Illinois National Casualty, American Motorists, Motor Vehicle Casualty and Freeport Motor Casualty.

Secure Injunction Against New Brokers Association

SAN FRANCISCO, April 17.—Judge D. C. Deasy of superior court here issued a temporary injunction against Secretary of State F. C. Jordan and nine members of the Insurance Brokers Exchange of San Francisco estopping issuance of incorporation papers for the newly formed San Francisco Brokers Association, as a subsidiary of the parent body. The proceedings were brought by 12 large brokerage concerns which claim they do 85 percent of the fire and casualty business in San Francisco.

Among the plaintiffs are Johnson & Higgins, Marsh & McLennan and other similar firms. The papers allege they represent 150 brokerage concerns opposed to the plans of the smaller brokers to handle public insurance for the benefit of all members of the exchange, the object of formation of the new association.

Purpose of New Group

It was planned to obtain a broker's license for the new association in order that all public insurance might be pooled. The order to show cause is returnable April 23.

The new association was organized by the public developments committee of the exchange and approximately 150 exchange members to handle public insurance where the taxpayers of the various communities pay the premiums, the profits from the commissions on such business to be distributed equally among the members of the association.

The opposition points out that the exchange never contemplated writing business in competition with its members and further that there is danger of the spread of such groups endeavor-

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STATEMENT JANUARY 1, 1935

ASSETS

Stocks and Bonds	\$2,065,524.50
Cash Balance	422,075.26
Agents' Balances Outstanding	233,228.28
Accrued Interest, Other Assets	33,716.96
	\$2,754,545.00

LIABILITIES

Reserve for Unearned Premiums	\$ 969,362.11
Losses in Course of Adjustment	80,417.00
Reserve for Taxes, Expenses, All Other Liabilities	74,140.08
Capital Stock	\$1,000,000.00
Net Surplus Beyond All Liabilities	630,625.81

Surplus to Policyholders	1,630,625.81
	\$2,754,545.00

Note—All bonds and stocks are carried at Actual Market Value.

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ing to gain control of large private lines.

That there will be a split in the exchange and formation of a new body by the "downtown" brokers is denied. They claim this would not solve the problem.

Special Rate Deviations on Term Policies Are Forbidden

COLUMBUS, O., April 17.—The Ohio insurance department today ruled that special deviation filings relating to policies written for a three or five-year term, providing for annual installment payment of the term premium, are contrary to the Ohio law and a violation of the code. They are declared null, but will be permitted to continue until the next anniversary date.

Failure Works Hardship

Appointment of a receiver for the Homeseekers Fire of Wheeling, W. Va., worked hardship on agents in southern Ohio, from which section the company received a large portion of its business. The company wrote a considerable amount of farm property and unprotected risks. The business appears to be of good quality.

Many farm writing companies withdrew from southeastern Ohio several years ago because of the loss experience and the Homeseekers was apparently the only stock company which would accept much of this business.

In return for writing unprotected and farm coverages, the Homeseekers secured desirable city business. It has not been difficult to reinsure this latter business, but no company apparently wishes to bite off such a large chunk in reinsurance where the experience has been bad and the Homeseekers may not be able to pay for the reinsurance.

The Grimes Realty Company of Ironton, O., was the Homeseekers' leading agency having over 500 risks in the company.

MARINE INSURANCE NEWS

Truck Hijacking Continues

Much Damage Is Done Especially in or Near New York City and Chicago

NEW YORK, April 17.—The hijacking of trucks continues with an alarmingly heavy loss to underwriters. In the following list of 16 robberies which happened during the past month with a total of \$168,939 worth of cargo stolen, all but four of these occurred within or very near the cities of New York and Chicago; \$75,000 of the total amount was in clothing and dress goods.

Trucks are not adequately protected against holdups and underwriters are coming more and more to demand that they be equipped with an effective burglar alarm. It has been suggested from outside quarters that truckmen be covered under a fidelity bond. While the great majority of them are honest, once in a while there is an "inside" job, and a tremendous advantage to be gained from the bonding of these drivers would be the extensive investigation which is conducted by surety companies prior to underwriting a bond.

List Is Compiled

The itemized list below has been compiled by the Babaco Auto Burglar Alarm System:

- Willett Teaming Co., \$20,000, Chicago, cigarettes, motor oil.
- Templeton Truck, \$250, Chicago, general merchandise.
- Dolan Cartage Co. (A. & P. grocery), \$5,000, Chicago, poultry, lard.
- Decatur Cartage Co., \$5,000, Chicago, general merchandise.
- Jack & Ray Sheldon, \$15,000, Burlington, Ill., whiskey, storage batteries.
- Speedway Carrier, \$10,000, Allentown, Pa., shoes, shirts, dresses.
- Harry Burkard, \$4,200, Warsaw, Ind., egg yolks.

- Providence Teaming Co., \$20,000, Gilford, Conn., rayon, silk and cotton goods.
- Providence Teaming Co., \$25,000, Gilford, Conn., rayon, silk and cotton goods.
- Wm. Plazzo, \$4,689, Brooklyn, cheese, olive oil.
- United Parcel Service, \$15,000, Brooklyn, miscellaneous merchandise.
- Horstmann Truck Co., \$15,000, Brooklyn, chewing gum.
- C. & W. Trucking Co., \$5,000, New York City, liquor.
- Garment Centre Del., \$5,000, New York City, dresses.
- Savins Express, \$15,000, New York City, dresses.
- Kofsky-Moos Fur Dye, \$4,800, New York City, payroll.

Another Big Cargo Loss

NEW YORK, April 17.—The hold-up of a five-ton truck and the theft of \$75,000 of furs here last week again brought to underwriters' attention the necessity of heavy protection on all trucks. The furs had just been unloaded from the steamer Majestic and were being transferred to a furrier's. The driver and guard were unarmed, the latter claiming to have forgotten his pistol. Four men in another truck forced them to the curb, boarded the van and drove off with the furs. A few blocks farther on the truckmen were thrown out. The truck belonged to the L. Davis Trucking Company and carried no protection other than locked doors. With such heavy losses companies cannot continue to show a profit unless they agree among themselves that trucks must be protected with an effective alarm system before they are written.

Definitely Outlaws Floater

Commissioner Harrison of Georgia has now definitely outlawed the householder's comprehensive policy in his state and has ordered all such business held under binder to be canceled. This ruling has now been made official by the joint committee on interpretation and complaint. Several months ago the Georgia department adopted the nation-wide definition but agency interests prevailed upon the department to exempt the personal property floater. Pending definite decision the existing policies of this kind the department permitted to be held under binder but prohibited writing new business.

Mid-year Parley of Illinois Agents Centers About Code

(CONTINUED FROM PAGE 3)

this organization in the matter, while their company representatives are endeavoring to secure support from the individual agents and are even appealing to our affiliated local boards.

"In a sincere effort to reconcile the differences existing, your officers have indicated their readiness to arrange for and participate in a conference with the director of insurance and a committee of company executives, and we believe that such a conference might have been productive of results, but a favorable response to our suggestion has not been forthcoming."

Troxell Gives Report

Mr. Keys reported that since the last meeting new local boards have been formed at Kewanee and Alton, and that there has been a gain in membership. He indicated his belief there would be still further gains in the membership during the next six months.

Robert W. Troxell of Springfield, chairman legislative committee, gave a comprehensive outline of what has taken place in the way of insurance legislation and association activities in connection with it. He said the association should favor the proposed financial responsibility bill and the drivers license act. He discussed the provisions of the code that the Illinois association is opposing.

N. C. McLean, East St. Louis, said

the association should not permanently stand for the companies contacting its individual members and not working through the organization as such. He referred to the recent activities of field men who are traveling about Illinois urging agents to oppose the code.

R. C. Mitchell, Rock Island, asked a number of questions relating to the code and for fuller explanations of why the association opposed certain features of it. Most of his questions were answered by President Keys. At the end of the morning session a vote of confidence in the officers and members of the legislative committee was unanimously given.

Allan Wolff Is Heard

The afternoon session was devoted to scheduled addresses. Allan I. Wolff of Chicago, past president of the National association, discussed national problems. Lew E. Wallace, superintendent motor vehicle department of Iowa, spoke on drivers license laws. He said 30 states have them and that Illinois is the only outstanding state without one. He characterized the automobile mortality and accident rate in Illinois as high. His opinion is that there is small chance of a drivers license law passing the Illinois legislature this year.

O. E. Mount, treasurer American Steel Foundries and chairman of the occupational disease committee of the Illinois Manufacturers Association, spoke on occupational diseases and remedial legislation that might reduce them.

C. B. Herschberger, Jr., Illinois insurance supervisor of the HOLC, explained the HOLC insurance requirements and answered questions at the conclusion of his talk. W. Herbert Stewart of Chicago, had Lloyds of London as his topic.

C. H. Burras of Chicago presided as toastmaster at the banquet. He introduced the various dignitaries seated at the banquet table and including several members of the Illinois insurance code commission.

Paying for Others' Sins

Mr. Palmer, of course, discussed the code, saying that the insurance laws of any state cannot be made for only the very best companies, but for insurance business generally. Thus, sometimes insurance laws bear a little too heavily on some of the best companies, but they must suffer for the sins of their brethren.

Mr. Palmer said the investment section is the only one to which the National Board might reasonably object, and the department has indicated that it is willing to revise it. He said Governor Horner had asked him to say he is behind the code 100 percent, and is satisfied to leave the amendments to it to those who drafted the original legislation. Governor Horner has been for the code from the beginning, Mr. Palmer said, and insurance men of Illinois should remember that the state would never have had a separate insurance department and would still be a branch of the department of trade and commerce had it not been for Governor Horner. The governor has read all of the amendments to the code and is following the whole matter with the keenest interest.

Two years ago Mr. Palmer said confidence of the public in insurance was severely shaken, has not been fully restored, and only can be if the average citizen feels that the laws give him the protection to which he is entitled.

Michigan Meetings in Jackson

DETROIT, April 17.—The Michigan Blue Goose will hold its annual meeting in Jackson June 18th. A large class of goslings will be initiated. Most Loyal Gander E. P. Rogers, Saginaw, will preside at the banquet, and there will be several prominent speakers including Commissioner J. C. Ketcham.

President W. H. Gabriel of the Michigan Fire Underwriters Association has called the annual meeting of that organization for Jackson the following day.

"From the Ground Up"

IT'S a far cry from that day in May 1930 when James A. Barnwell (Junior of the three brothers), now director of operations and Secretary-Treasurer of the firm, drove the one and only truck which comprised our "fleet" from Burlington, North Carolina, to New York.



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The National Underwriter

April 18, 1935

CASUALTY AND SURETY SECTION

Page Thirty-five

Common Law Suits Are Knocked Out

Illinois High Court Finds Section
1 of Disease Act Unconsti-
tutional

GIVES FIVE OPINIONS

Finds Legislature Failed to Set Up
Standard for Measuring Required
Protective Devices

SPRINGFIELD, ILL., April 17.—In five opinions, the Illinois supreme court held that section 1 of the occupational disease act is unconstitutional and void on the grounds that it violated the due process clause of the state and of the federal constitutions.

The statutory provision which the court held unconstitutional provides that every employer of labor in carrying on work which may produce any illness or disease peculiar to the work or process carried on or which subjects the employees to the danger of illness or disease incident to such work to which employees are not ordinarily exposed in other lines of employment shall for the protection of the employees adopt and provide reasonable and approved devices or methods for prevention of industrial or occupational diseases as are incident to such work.

No Standard Established.

The court held that the legislature had failed to establish any standard by which the judgment of the administrative department is to be measured. Consequently, the department could arbitrarily decide what devices or methods in its judgment are approved, reasonably necessary, reasonable or adequate.

In view of this attempt to vest the department with the power to state what the statute provided, the court held that it violated Article 3 of the state constitution by attempting to vest legislative power in the department.

For the same reasons, the court held sections 12 and 13 of the health, comfort and safety act unconstitutional and void. These are provisions for factory inspections.

This decision apparently knocks the props from under all common law actions against employers on account of occupational diseases.

In addition to the constitutionality of section 1, other points involved are whether silicosis is an accident under section 2 of the disease act; whether the two sections are separate diseases and unrelated; whether the statute of limitations holds.

Four of the cases are: Boshuizen vs. Thompson & Taylor; Parks vs. Libby, Owens, Ford Glass Company; Valiat vs. Radium Dial Company; Navarro vs. Illinois Steel Company.

National Accident-Health Week Off to Strong Start

Triple Normal Week's Production
Predicted as Chicago Drive
Is Opened

A prediction that the production of accident and health business during National Accident & Health Insurance Week will be triple that of the corresponding week last year was made by Armand Sommer, Continental Casualty, president National Accident & Health Association, who spoke Monday at the first of the series of luncheons sponsored by the Accident & Health Insurance Club of Chicago in connection with the observance of National Accident & Health Week. In introducing Mr. Sommer, E. H. Ferguson, president of the club, said that this is really an epochal week for the business, inasmuch as accident and health insurance is more than 70 years old, but this is the first coordinated effort ever made to bring agents of all companies into maximum production at the same time.

Lends Itself to Sales Effort

In showing why accident and health insurance lends itself better to the promotion of a special week of this sort than other lines of insurance, Mr. Sommer pointed out that accident and health business can be created, while this is not true of many other lines. An agent or broker cannot go to an assured and say to him, "Please take more fire insurance," as in most cases his needs are fully covered along that line and the only way to write any additional insurance would be by taking it away from some other agency. The average person is markedly under-insured, however, so far as accident and health protection is concerned, and the line therefore lends itself especially to sales effort. He declared that many men who have made only a mediocre living throughout the year will be able this week, on account of the additional stimulus given them, to go out and make real money.

Have to Be Spurred On

One of the unfortunate things about accident and health producers, he added, is that so many of them have to be spurred on. If they would keep pepped up to the same extent that they are this week, it would be entirely possible for them to write good business throughout the year.

As regards selling opportunities, accident and health insurance is in a better position than ever before, he said. He cited the advice given by Knute Rockne to his Notre Dame team in one game where it was trailing at the half, to "quit the fancy stuff and get down to fundamentals." He suggested that that might be the real answer to the problems of accident and health insurance.

Prospects for accident and health insurance, he said, can be divided into three types: (1) Business and professional men, (2) employees and (3) those not gainfully employed, including house-

(CONTINUED ON PAGE 42)

Three-Fold Purpose of Campaign
Explained at New York City
Sales Congress

NEW YORK, April 17.—The sales congress here Monday, opening the first National Accident and Health Insurance Week, brought out an attendance of well over 500. J. R. Garrett, National Casualty, chairman Greater New York Accident and Health Week committee, in opening the congress reported on the work done by his committee and read a letter from Governor Lehman of New York endorsing the idea and expressing his hearty cooperation. Mr. Garrett then explained the threefold purpose of the campaign: (1) To make the public accident and health conscious; (2) to gain the interest of brokers and agents of life companies in accident and health and (3) to give an object lesson to the companies. Heretofore the carriers have not given sufficient attention to this coverage, he said, and agents have not sought it. He pointed out the large return in commissions because of continuing renewals.

Income Protection Appreciated

W. F. White, Royal Indemnity, president Accident & Health Club of New York, repeating the slogan of the campaign, "Insure your income," said the value of an uninterrupted income has never been appreciated as much as it is at present. The danger of death or accident has increased 100 fold in this generation.

L. J. Rice, president Insurance Brokers Association, said that all brokers in this city are interested and will cooperate in the movement. "No form of protection is needed more than accident insurance," he added.

E. H. O'Connor, United States Casualty, chairman Bureau of Personal Accident & Health Underwriters, expressed the desire on the part of all the sponsors that brokers derive some benefit from the congress. The surface of the accident and health field has just been scratched, he declared. Accident and health insurance is fundamental because it protects that upon which everything else depends—income. A course in this line for brokers is contemplated and will be given if a sufficient number will pledge their support.

Line Long Neglected

A. J. Mountrey, Standard Surety & Casualty, secretary National Accident & Health Association, spoke on how and why accident insurance should be sold. It has been a long neglected line, perhaps because of the great multiplicity of policies, which made it too complicated except for specialists. Brokers and agents did not familiarize themselves with it. Very few men today, he said, have an independent estate. The majority are wage-earners, however large or small. He showed a picture of a pyramid with savings at the top and, in descending order, upkeep of self and family, children's education, food and clothing, insurance premiums, upkeep of automobile, owning and maintaining own

Hobbs Bill Hit by State Department

Held Not in Conformity with Pres-
ident Roosevelt's "Good
Neighbor" Policy

BILL HAS LITTLE CHANCE

Diplomatic Protest on Measure as
Well as Against HOLC Ex-
clusion Was Made

WASHINGTON, April 17.—Little chance of enactment of the Hobbs bill barring the mails to companies in states to which they are not admitted is now seen, in view of the opposition understood to have been voiced by the State Department that the measure is not in conformity with President Roosevelt's "good neighbor" policy.

Representatives of the British companies who recently appealed to their ambassador in Washington for aid in securing a change of sentiment on the part of the Home Owners' Loan Corporation with respect to its new insurance plan, under which only American companies were to participate in its business, are said also to have protested the Hobbs bill.

Ambassador Pays Visit

A visit by the ambassador to the State Department is understood to have resulted in suggestions to both the HOLC and the house committee on the post office.

Hearings on the Hobbs bill brought out a strong belief on the part of many that the states should take the initiative in revising their insurance laws so as to eliminate fraudulent concerns rather than attempt to pass the burden on to the federal government.

Members of the committee have been reluctant to comment on the situation, but it is indicated informally that not all of them are agreed that the bill is desirable. As written, it was said, it would cause hardship upon many not engaged solely in the sale of insurance, and some doubt was expressed whether it could be amended satisfactorily.

Kleffman Is Confirmed

ST. PAUL, April 17.—A. H. Kleffman, Farmer-Laborite, has been confirmed as secretary-actuary of the Minnesota Compensation Insurance Board.

home, and supporting all of these—a man's income. He believes an agent or broker fails his client unless he provides a protection for this income.

R. Robbins, an agent of the Preferred Accident, drew on his own experience of 24 years in the business in telling how to approach and sell prospects. "Brevity is the essence of insurance salesmanship," he said. "In talking to your client, never make him the victim of possible accidents. Always kill or

(CONTINUED ON PAGE 44)

London Lloyds Attacked by Stewart at Illinois Meet

HITS SPECIAL PRIVILEGES

Provisions in Proposed State Insurance Code Concerning Lloyds Condemned by Chicago Agent

W. Herbert Stewart, president of Stewart, Keator, Kesberger & Lederer, Chicago, in his talk at the mid-winter meeting of the Illinois Association of Insurance Agents sharply criticized the operating methods of London Lloyds and the section of the new Illinois insurance code applicable to London Lloyds. After tracing the history of Lloyds from the earliest beginnings, and remarking that after the war Lloyds found it necessary to seek business in this country more aggressively than formerly in order to maintain the desired premium income, Mr. Stewart said:

"But the Lloyds came over after American business; they did not enter like their British cousins, the stock companies. They did not establish American deposits. They engaged no American employees. They joined no inspection and rating bureaus. They evaded a large part of the taxes imposed on other alien companies doing business within our borders. In one word they came into this country as chiselers. But they provided a market for certain forms of coverage not obtainable elsewhere, and so we let them chisel. Lloyds more than doubled their business in this state in 1934 over 1933. What will they be doing in 1940 if unchecked?"

Pay Little for Board

"The food in the insurance boarding house in these days of depression is limited. There is just so much to serve everyone who comes to the table. The more boarders we have, the smaller the portion of hash each one who pulls up a chair will receive. Lloyds have invited themselves to every meal but they pay little, if any board."

"Hands across the sea sounds fine, but a hand across the sea one way into our pockets is not so good."

"It is true that we can not constitutionally prohibit any of our citizens from the right of contract with any one with whom they may care to do business, but we can prevent that one from coming into Illinois and soliciting your business."

"And therefore the organized agents of Illinois are unable to understand the provision which the director of insurance has included in the new code. His established principle has been that no alien insurance organization shall receive privileges not extended to organizations of our own state. The great British stock companies with the large investments in this country and with their employment of many of our people get no such edge. He has gone a long way when he permits only Lloyds organizations to write two of the three classes of insurance. Why then should he go still further for alien Lloyds in waving the provisions applicable to domestic Lloyds? We do not think he should."

Federation Directors Meet

Directors of the Insurance Federation of Illinois held a meeting at Springfield last week during the time of the mid-year convention of the Illinois Agents Association. George H. Moloney, vice-president of the Hartford Accident, was elected vice-president of the federation. New directors named were: Freeman C. Read, W. Herbert Stewart, Max Freiburg, James R. White, Elmer Anderson, John Maehle and Clark Brown.

The federation's new executive committee is composed of Henry Abels, H. A. Behrens, Joseph E. Callender, Isaac Miller Hamilton, Mr. Stewart, Gail Read and Mr. Moloney.

LEGISLATIVE ● DIGEST ●

REGULATION

New York—Assembly defeats bill permitting mutual casualty companies organized prior to 1925 with a surplus of at least \$250,000 to receive cash advance premiums without contingent liability. A bill has been introduced in the assembly providing that the insurance superintendent shall, after payment of other priorities, apply assets of domestic insurers first to pay creditors residing in the state.

The senate has passed a bill providing for further publicity on expenses in operating life or casualty cooperative and assessment companies. * * * Governor Lehman has signed the insurance department bill regarding mergers and consolidations. Life companies now come under the act and the insurance superintendent has complete supervision. Under the former law provision was made for merging or consolidating casualty companies but there was no mention of life or health and accident companies. The bill is sponsored by the insurance department.

Nebraska—Governor Cochran has signed the bill designating the director of insurance as the legal representative of foreign insurance companies and to continue as such after they have dissolved or been merged, in order to retain jurisdiction in Nebraska for suits brought against them by residents of the state. Companies must pay \$2 for each process served upon the director.

Florida—Bill referred to house insurance committee prohibiting newspapers to accept advertisements of any insurance matter not approved by insurance commissioner.

COMPENSATION

New York—Assembly passes and sends to governor bill extending the time for compensation board's consideration of appeal from 30 to 60 days. * * * Senate passes and sends to governor bill providing state insurance fund shall be applicable to payment of premiums for reinsurance of the whole or any part of any policy obligation.

Florida—The federation of labor's bill to enact a compensation law is being hotly contested. Manufacturers are well organized against the bill although it is expected to pass the senate.

The bill covers accidental injuries and occupational diseases and provides benefits of 60 percent of the average salary during period of disability, not exceeding 250 weeks with \$4 minimum and \$18 maximum per week. A \$5,000 maximum death award is provided. The act covers any employer who hires three or more persons and excepts domestic servants, horticultural and agricultural labor. A \$100 license fee from insurers and a 2 percent net premium tax is provided for cost of administration. Similar bills have been introduced in past legislatures but never have been successful.

North Carolina—The senate insurance committee is considering a bill which would require all companies writing compensation insurance in North Carolina to keep a deposit with the state as a claim payment guaranty fund. The bill is sponsored by Senator Powell who was the author of the unsuccessful state fund bill. The new measure would require companies to post with the department 1 percent of all premiums during the first six months of 1935 and to continue the process at the same rate until the state funds equal 5 percent of the loss reserve of all companies. Provisions are made for maintaining the fund at that level.

Nebraska—Senate passes bill transferring funds collected from 2 percent levy on gross casualty premiums to a

Illinois Fire and Casualty Rate Bill Is Introduced

UNDERWRITING PROFIT 5%

Measure Now Under Consideration Differs From That Originally Presented as Part of the Code

The fire and casualty rating bill which has been promised by the Illinois insurance department for some time, has now been introduced. Originally there was an extensive rating section in the proposed Illinois insurance code, to which all classes of companies took violent exception. Because of that opposition, the rating sections were removed from the code and the department stated that they would be introduced independently. The measure now under consideration differs from that which was part of the code. The bill provides rate regulation for automobile, compensation, fire and windstorm and hail.

At the same time an independent measure was introduced providing automobile rate control alone.

Farm Mutuals Exempted

The department measure excludes from control the local farm mutuals. The bill provides that rating organizations must be certified by the department on a form to be prescribed by the department. Any change in schedules, methods, plans or rules, etc., which will affect the rate level must be approved by the department. Only those schedules, etc., which will effect a reasonable cost shall be approved.

The rate level shall be calculated from the experience of a company, if the company operates its own rating organization or from the combined experience of all members of a rating organization, covering five years ending Dec. 31 immediately preceding the calculation of the rate level unless the department decides upon a shorter or greater period of time.

Underwriting profit would be limited to 5 percent. Dividends paid to policyholders will be considered an underwriting expense but interest from investments shall not be income derived from underwriting.

The rate level shall be reduced in proportion to the reduction in premium which the experience of the company or group of companies shows should have been earned to produce the maximum underwriting profit allowed if the underwriting profit was in excess of that amount, or it may be increased proportionately if an increase was necessary to produce the underwriting profit.

All rating organizations shall be subject to examination. A rating organization operated for more than one company shall admit to membership any company.

No rating organization shall fix a rate which is to apply on the condition that the whole amount of insurance on any risk or part thereof shall be placed at the specified rates or with members of the rating organization.

There is a provision against fixing rates to discriminate unfairly between risks of essentially the same loss hazards and relative expense cost.

The rating organization must furnish upon demand full information as to rating to an assured.

A company operating in the state for less than five years cannot maintain its own rating organization.

(CONTINUED ON PAGE 45)

fund to support a state compensation court.

SURETY

New York—Senate passes and sends to governor bill restricting fee for giving bail bond to 5 percent on \$2,500 or less and 3 percent in excess of \$2,500.

Wade Resigns as Michigan Deputy to Join Company

LANSING, MICH., April 17.—Ralph M. Wade, second deputy commissioner of the Michigan department for 11 years and an employee for nearly 15 years, has resigned. He will leave the office about May 1 to assume new duties as comptroller of the Michigan Mutual Liability of Detroit.

Mr. Wade was with the Agricultural Life of Bay City for three years before coming to the department. His early department experience included heading the licensing division and serving as assistant actuary. After his appointment as deputy by the late L. T. Hands, then commissioner, he handled a wide variety of supervisory work and also participated in a number of examinations, many of a conference nature. His competency in the position was attested by his successive reappointments by succeeding commissioners.

No successor has been announced by Commissioner Ketcham. Some weeks ago a delegation from the Michigan State Life Underwriters Association visited Gov. Frank D. Fitzgerald in an effort to gain his support for a proposal to place a life insurance man in the position and to "departmentalize" the department. Whether this proposal is being given favorable consideration has not been revealed. Joseph E. Reault, present actuary and chief examiner of the department, has been mentioned for possible advancement to the deputy position.

The department held a farewell party for Mr. Wade, whose nature was a complete surprise. Commissioner Ketcham and former Commissioner C. E. Gauss told of Mr. Wade's fine service.

Towner Bureau's Contention on Virginia Rate Sustained

The Virginia corporation commission has sustained the contention of the Towner Rating Bureau that directors of finance in the counties of Albemarle and Henrico be charged the same bond rate as county treasurers, which had been increased because of loss experience.

These counties protested the rate, maintaining that as finance directors were appointed and not elected, they constituted preferred risks. This contention was challenged by the Towner Bureau, which claimed there was no data sufficient to warrant the allegation, a position which the commission approved.

Aetna Casualty Conferences

Conferences on automobile insurance for agents of the Aetna Casualty & Surety, under the direction of A. L. Wortman, Milwaukee branch manager, were held in Milwaukee, for agents in southern and western Wisconsin, and in Appleton, Wis., for those in the Fox River valley, northern Wisconsin and upper Michigan.

Mr. Wortman presided at both meetings. Speakers included R. I. Catlin, assistant vice-president; R. T. Mallery, field supervisor; A. D. Kehoe, attorney in charge of claims, and O. B. Sullivan of the claim department, both of the Milwaukee branch office. D. P. Steinberg of Appleton was in charge of local arrangements there. About 100 were present in Milwaukee and 50 in Appleton.

The home office party also addressed two sales conferences in Iowa, one in Des Moines and the other at Cedar Rapids.

F. B. McNerney Dies

Frank B. McNerney, superintendent claims division, London Guarantee & Accident, died at his home in Richmond Hill, New York. Prior to his association with the London Guarantee he was connected with the New Amsterdam Casualty and Phoenix Indemnity.

Compensation Guaranty Fund for Self-Insurers Proposed

PRESENT NEW JERSEY REPORT

Commission Finds Present Law Is Adequate—Stricter Supervision Needed to Correct Abuses

TRENTON, N. J., April 17.—A new slant to the guaranty fund idea has been brought out in New Jersey. In its formal report to the New Jersey legislature the special commission investigating compensation recommends that a self insurers' compensation claim guaranty fund be established. Self insurers would be required to pay a percentage of a hypothetical insurance rate to be determined by the insurance rating bureau until the fund reaches 5 percent of the outstanding liability of all self insurers. The fund would be kept separate and payment from it would be made only when members of the fund are declared insolvent or bankrupt. The fund's reserve would not be considered as assets of its members and would be applicable only for the purpose intended.

Supervision Needed

The investigating commission held that the existing compensation law is excellent and suggested no radical changes, except that the act should provide for stricter supervision.

Because of lack of supervision many abuses have crept into the administration. Proper safeguards should be adopted to prevent vexatious and unmeritorious claims being pressed after one adverse decision of the deputy commissioner. Medical practices are criticized and it is held doctors keep inadequate records of compensation cases. It is recommended that informal hearings be abolished and agreements between employers and employees with the approval of the state department be encouraged. It is recommended that the injured or diseased worker be permitted to select his own doctor. Regulations regarding physicians are provided. An industrial board of five members is recommended. All appeals from the board should be made to the New Jersey supreme court. The commission recommends that directors of a corporation without compensation insurance be personally liable for judgment costs.

Minority Report Made

Opposition to free choice by workmen of medical attention under the compensation law was registered in Trenton Tuesday by C. W. Scott of Jersey City, minority member of the special commission named to study the operation of the compensation act in New Jersey. Mr. Scott filed a minority report objecting to the conclusions and recommendations presented to the legislature by the full commission the preceding day.

"To permit free choice to the employee, who as a rule would not be qualified to judge the relative merits of the doctors," Mr. Scott declared, "would merely open the door to solicitation by physicians. The only standards which would be used by injured employees would be the recommendations of 'contact men,' 'steerers,' some 'union officials' and other interested chiselers."

Disadvantage to All

"Free choice involves three classes, the injured workman, the employer or the insurance carrier, and the physician. The free choice provision of the majority report not only fails to be an advantage to any of the groups concerned but would be a distinct disadvantage to all three. The greatest hardship would be at the expense of the injured workmen. A canvass of responsible labor officials who have had long and broad experience in compensation cases, indicates that free choice is against the

Made Chairman



S. K. CRAWFORD

S. K. Crawford of the head office of the Standard Surety & Casualty, who has been elected chairman of the Automobile Casualty Underwriters Association of New York, is well known in the ranks. He is head of the company's casualty department.

Mr. Crawford has been prominently identified with casualty insurance for a quarter of a century. Following his graduation from Yale Mr. Crawford practiced law in St. Louis for several years, specializing in insurance litigation. His first direct connection with the business was in 1910, as special agent of the United States Fidelity & Guaranty in St. Louis. He aided in launching the American Automobile of St. Louis and became one of its officials. When the Home of New York decided to enter the automobile field in 1914, Mr. Crawford was made manager of that department, serving until he became vice-president of the American Reinsurance. He left that post in 1921 and two years later joined the United States Casualty as manager of the automobile division. When the Standard Surety was formed in 1929, Mr. Crawford took charge of its casualty division. He is now a member of the governing committee of the automobile department of the National Bureau of Casualty & Surety Underwriters.

best interest of the injured workmen. In many cases the workman not only cannot speak English, but due to lack of proper training, has little ability to think or act in his own best interest."

Mr. Scott declared that less than 5 percent of all physicians are competent to treat industrial accident and occupational disease cases. "Industrial surgery is a real specialty."

Unlimited freedom to change physicians at the whim of the employee would tend to encourage the "insidious practice of lifting cases," Mr. Scott asserted. "In effect, this would prolong treatment and increase permanent injuries."

"The majority report proposes a medical panel of 'authorized physicians' controlled by the medical societies who shall dictate who are authorized to do compensation work. I very definitely question whether there exist any medical societies or any board designated by a medical society which would be able, either from professional standpoint or as a matter of law, to specify the character of medical care which any physician is qualified to render."

As an alternative, Mr. Scott proposed the employee should have the right to choose his attending physician from a panel selected by the employer.

Agents in Big Turnout for Sales Conference

An overflow crowd turned out for the sales conference of the Ocean Accident-Columbia Casualty at Chicago last week. Attendance so far exceeded expectations that at one time agents were standing at the rear of the room. Not only did the agents and brokers turn out in large numbers, but they turned out early on a rainy morning. With the opening set for 9 o'clock, all introductions and greetings were out of the way by 9:30 and the program actually started at that time.

The big turnout was not only a practical compliment to Manager Joseph E. Callender, but with the big attendance at similar meetings of other companies it is an indication of the extent to which agents are interesting themselves in learning more about insurance. Assistant Manager Charles W. G. Bailey, in charge of the home office "caravan," is of the opinion that casualty insurance will reach the stage now prevailing in life insurance, where a company cannot get agents without offering training and educational facilities.

Eight subjects were on the program and each was handled by the department manager at the head office. The speakers were J. F. Lydon, accident and health; T. Thompson, liability; M. R. Schancke, automobile; E. Vernon Roth, fidelity and surety; H. W. Hendrickson, plate glass; G. G. Brainard, burglary; D. L. Royer, chief engineer boiler and machinery; F. F. Robertson, supervisor claims administration. Very brief talks were made by Mr. Bailey, Mr. Callender and A. H. Stofft, assistant agency manager.

Educational Tour Planned to Cover Two Weeks

The speakers were "on tour." They appeared Monday of last week at Pittsburgh, Tuesday at Cleveland, Wednesday at Detroit, Thursday at Indianapolis and Friday at Chicago. Monday of this week they appeared at Buffalo, Tuesday at Albany and Wednesday at Boston. At first it was planned to finish the tour on Thursday and Friday at Newark and Philadelphia, but on account of the Easter holidays, those meetings were set back.

The object of the sales conference is to help agents write the profitable lines. The main volume producers for the casualty companies, compensation and automobile, seem to be definitely in the red. The other lines offer big opportunities and pay handsome commissions. They are not nearly as mysterious as they used to be considered and agents can write them successfully with very little study. It is a fact, of course, that several lines, like burglary insurance, have been very much simplified.

Accident a Durable and Profitable Line

In Mr. Lydon's talk on accident and health he said that the wrong idea sometimes gets too much prominence. An accident policy does not insure against broken bones or pain and suffering, but the heart of it is a guarantee of the insured's income in case he is disabled. He said a disabled man is often a bigger burden to his family than if the accident had been fatal. There is not only the loss of his income, but the expense of his care, and sometimes the additional loss of the income of another member of the family who has to give up a job and take care of him.

He declared accident insurance is the most profitable and the most durable line that an agent can sell. It meets a universal need. Other insurance business follows the accident into the office. Every able bodied person is a prospect. The best prospects seem to be between 30 and 50 years of age. In a recent survey it was found that 6 out

of 7 new applicants were without any kind of accident insurance. The higher priced policies are very complete, paying for loss of limb, surgical benefits, hospital and medical costs and disability for life, but cheaper policies stripped down to essentials are available for those who cannot afford the high priced ones.

Surprising How Many Unaware of Danger

Manager Thompson of the liability department said that lack of liability insurance endangers all assets. He expressed surprise at the number of people who are not aware of their danger. Liability insurance is divided into two kinds, direct and contingent. There are six classifications (besides auto) under direct, namely, manufacturers, contractors, O. L. & T., theater, elevator and product. Contingent is divided into contractors, owners and landlords. There is another kind, contractual, which covers liability assumed by agreement instead of the liability imposed by law. There are unwritten premiums and unearned commissions under every classification.

Mr. Thompson told of a case where an agent sent for him to try to hold a compensation line. While they were sitting in the customer's office there was a telephone call and the president explained that he was starting his son in the business at the bottom and he was now driving a truck. The call had been from his son. Mr. Thompson remarked, "I suppose the truck is insured." It turned out that it was not and insurance was ordered. Just to carry on the conversation Mr. Thompson remarked, "I suppose you carry public liability insurance," and the reply demonstrated his whole point about overlooked business. The president asked, "What kind of insurance is that?" The order was obtained on that interview.

Mr. Thompson briefly explained the application of the various coverages he had classified and indicated where they could be sold.

Bad Drivers Do Harm to Agent's Business

Mr. Schancke in his talk on automobile dwelt on the need of selecting safe policyholders. He said the type to be avoided are those who are fined for speeding, engaged in unlawful business, ignorant, tricksters, the sporting element and those who have certain traits, like the lack of regard for the rights of others. He said a poor moral risk will be a party to a fictitious accident, help out a guest in guest claims, etc.

The point of all this was that the interests of the agents and of desirable insureds are injured by the acceptance of the others. A few bad risks can run up the losses, putting excess burdens on the desirable risks, and making the business harder to write so that an agent may lose as much good business on account of rates as he gets among the less desirable classes.

He gave the interesting information that truck driver accidents have actually declined 2 percent since 1926, while the accidents of private drivers have gone up 46 percent. He said fleets are all right up to a certain size, but the bigger risks cannot be obtained at a reasonable rate on account of excessive competition.

Mr. Roth urged the sale of fidelity insurance to the smaller risks. He said they have a large number of customers who were small when they started, but now have highly desirable accounts and they have remained with the company from the beginning.

Referring to the matter of declined business, which seems to be sometimes

(CONTINUED ON PAGE 45)

CHANGES IN CASUALTY FIELD

Make Several Staff Changes

Seaboard Surety Directors Elevate Ames, Slattengren, Miller and Logie, Briggs on Leave

NEW YORK, April 17.—In addition to reelecting C. W. French as president and R. M. Smith as vice-president, directors of the Seaboard Surety at the annual meeting advanced former Vice-president L. C. Ames to first vice-president, and elected G. B. Slattengren, Chicago manager, as vice-president. T. W. Miller was chosen treasurer, succeeding E. W. Briggs, who resigned because of ill health. J. R. Logie was elected to the newly created office of comptroller. Mr. Briggs, in appreciation of his valued service, was given a year's leave of absence, in the hope that an extended vacation would improve his physical condition.

No Change in Policy

There will be no change in the general underwriting policy of the Seaboard Surety. Progress under the administration of President French has fully justified the methods he laid down for its operation some 15 months ago.

Mr. Slattengren has had ten years' insurance experience, starting as special agent of the Hartford Accident in Chicago in 1925. In 1929 he was transferred to Kansas City, operating a service office there with the title of special agent for a year. He went with the Seaboard Surety in 1930, being appointed manager of the Chicago branch by President French, who then was resident vice-president directing the office. Under Mr. Slattengren's management the Chicago branch has prospered.

Enters Agency Field

S. J. Putnam has resigned as Hartford manager of the Fidelity & Casualty to join the agency of E. S. Cowles & Co., of Hartford. He has been in the business 16 years and is president of

the Connecticut Casualty & Surety Association.

Mr. Putnam has been engaged in agency promotion in Connecticut 16 years as special agent, field supervisor and branch manager.

The Cowles agency was established 43 years ago by E. S. Cowles. He subsequently brought into the firm his son, E. S. Cowles, Jr., who developed a large casualty business to make the agency one of the most successful general agencies in the state. They are Connecticut general agents of the Transcontinental, Norwich Union, Fidelity & Deposit, American Bonding and Preferred Accident.

Made Associate Manager

Vincent Gallagher, who has been connected with the Standard Accident in New York seven years, has been appointed associate manager of the New York office in charge of bonds. Before his connection with the Standard Accident, he saw service with the Ocean Accident.

Mueller Rejoins Associated

SAN FRANCISCO, April 17.—L. H. Mueller, former vice-president of the Associated group here, has rejoined the group as assistant to President C. W. Fellows. Mr. Mueller assisted in formation of the Associated companies, leaving several years ago to become resident director of the United Air Lines, but retaining his seat on the

board of the Associated. He is a fellow of the Casualty Actuarial Society, former instructor in insurance at the University of California, former statistician of the state compensation insurance fund and at one time was connected with the National Bureau of Casualty & Surety Underwriters.

Kracke Succeeds Coan

George Kracke has been named acting burglary underwriter by the Fidelity & Deposit in Chicago to succeed W. A. Coan. Mr. Coan is president of the Burglary Underwriters Club of Chicago.

Carr Resident Vice-President

S. J. Carr has been appointed resident vice-president of the Standard Accident in Philadelphia. He has been manager in that city since 1929. W. K. Conard, who has been head underwriter at Philadelphia, has now been appointed office manager.

Clyde Bellinger's Change

Clyde M. Bellinger, who has been manager of the life department for the T. F. Street & Sons Agency in Rochester, has become representative in the same city for the Massachusetts Indemnity of Boston. Associated as a partner with Mr. Bellinger is C. W. Judd, who was also in the Street Agency. Headquarters for the Massachusetts Indemnity in Rochester are at 720 Lincoln-Alliance Bank building.

H. E. Larson Resigns

H. E. Larson, burglary underwriter of the Commercial Casualty in Chicago, has resigned.

WORKMEN'S COMPENSATION

Steady Increase Shown in Minnesota Assigned Risks

MINNEAPOLIS, April 17.—Assigned risks under the compensation law continue to be a problem for the Minnesota compensation rating bureau, James E. Reynolds, general manager, says in his annual report just issued. There has been a steady and rapid increase in assignments since 1930, the report shows, with no letup immediately in sight. The record of assignments the last six years follows: Year ending June 30, 1930, 23 assignments; 1931, 20; 1932, 53; 1933, 208; 1934, 539; nine months to March 31, 1935, 486.

Two Possible Remedies

Without attempting to predict the future of assigned risks, Mr. Reynolds said there are only two factors that would materially remedy the situation—a substantial increase in the rate level and a substantial increase in business in Minnesota.

In discussing the results of test audits, he says that from 80 test audits on which final advices have been received from the carriers, additional premium of \$21,670 has been collected. "This would seem to justify the plan of test audits," he says.

Mr. Reynolds believes an improvement in underwriting has resulted from the use of the new manual prepared by the National Council on Compensation Insurance.

Report New York Experience

ALBANY, N. Y., April 17.—There were 69,918 compensation awards in New York in 1934, totaling over \$22,000,000. This is exclusive of medical and administrative costs. There were 4,569 less cases in 1934 than in 1933 and the total amount of compensation dropped over \$2,500,000, while the average cost per case was reduced from \$336 to \$316. There were 755 accidental injuries resulting in death, 93 in permanent total disability and 16,382 in permanent partial disability.

Occupational Disease Law Changes in Illinois Sought

Several changes in the present Illinois laws are included in the legislative program headed by the occupational diseases act, house bill 702, sanctioned by the Illinois Manufacturers' Association. H. B. 702 itself repeals the former occupational diseases act, the one which brought certain diseases under compensation and the same one which seemed so startlingly broadened by the celebrated Burns decision. H. B. 702 also repeals what was known as the basement blower act. These two measures either gave or were construed to give a right of action for occupational disease. All rights of action are consolidated and harmonized in a single measure by H. B. 702.

A separate measure, house bill 703, adds two members to the industrial commission for the administration of the occupational diseases act and requires that the additional members shall be licensed physicians. It also puts the administration of the occupational diseases act under the industrial commission, to be administered the same as the workmen's compensation act.

House bill 704, while entirely separate from the occupational diseases act, H. B. 702, sets up a new list of processes of manufacture and labor that are declared to be especially dangerous to the health of employees. It amends the former factory health act.

The dust and fumes act, or the blower act, is entirely rewritten and modernized by house bill 634. The old act is repealed and a new one substituted.

Confer on Labor Bill

SPRINGFIELD, ILL., April 17.—A good many insurance people attended the conference here this morning called by the Illinois Manufacturers Association to discuss house bill 233 greatly extending accident and occupational disease benefits. The association characterizes this bill as "the most drastic and

unfair measure which the organized labor group has thus far devised." It is estimated that if this bill should be enacted the cost of accidents would be increased 85 percent and diseases that have no logical connection with employment would be compensable. There was a hearing on the bill this afternoon before the house judiciary committee.

Would Cover Carbon Monoxide

ST. PAUL, April 17.—One of the bills in the Minnesota legislature that has met severe opposition is one that would make carbon monoxide poisoning compensable under the workmen's compensation act. It was brought out at hearings that many garage employes have been seriously impaired physically by such gas but garage owners have opposed the bill because it would increase insurance rates. A recent report of the state industrial commission showed that approximately half of 600 garage workers examined showed carbon monoxide gas poisoning in their blood.

Legislators suggested the situation could be remedied by closer inspection of ventilation in garages by the industrial commission.

Fidelity-Surety Activities

County Official Is Removed for Failure to File Bonds

MILWAUKEE, April 17.—Failure to file bonds required by law within the time set by statute was held to constitute a cause for removal from office of J. W. Kelley, register of deeds of Milwaukee county, under an order issued by Governor La Follette. Charges were filed with the governor following the confession by J. H. Kelley, son of the register and former deputy, that he had embezzled \$9,973 in county funds.

It was found that the register had filed only one bond, for \$3,000, and that he had not filed either for his first or second term the additional \$1,000 bond required by statute and a \$5,000 bond required by county ordinance.

Bar Surety Men

DETROIT, April 17.—Surety men have been barred from the Detroit branch of the state liquor control commission "because of annoying tactics employed" in the solicitation of liquor bonds from new licenses, according to the local manager.

Ocean Accident Has Sales Congress for Ohio Agents

The Ocean Accident and Columbia Casualty held a regional sales congress for Ohio agents at Cleveland, there being 75 present. T. J. Lyman, regional supervisor, acted as chairman. J. F. Lydon, manager accident and health department; T. Thompson, manager compensation and liability; M. R. Skancke, E. V. Roth, fidelity and surety; H. W. Hendrickson, plate glass, and G. G. Brainerd, burglary, all talked on their specialties. D. L. Royer, chief engineer, spoke on boiler and machinery, and F. F. Robertson, supervisor claims administration, developed the claims subject. C. W. G. Bailey, assistant manager in charge of the agency department, and A. H. Stofft, assistant manager, were on from the head office and spoke.

Calls Western Safety Conference

Governor Merriam of California has called a Western Safety Conference to be held in San Francisco June 11-13, covering 11 western states, to consider reduction of accidents in the home, in industry and public places and on the streets and highways.

In New Post



EDWARD J. UHLER

Edward J. Uhler, who has recently become associated with C. F. Crist & Co., of Kansas City, general agents for the Ohio Casualty, has had a varied insurance experience. Recently he has been in the general agency business in Kansas City. He started with the Indemnity of North America in Philadelphia, then worked in the Chicago service office of that company, and when the Alliance Casualty was formed he was placed in charge of building an agency plant in the middle west.

"WE BUILD"

WITH occasional halts, which in perspective seem minor, the United States is a building nation.

New roads, new buildings, new bridges arising upon every side mean contract bonds for the alert agent. Good contract business is most desirable for company and for agent.

Whether you are a U. S. F. & G. agent or not, we invite you to write for the April "Pathfinder," which outlines briefly the do's and don't's of contract bond underwriting.

U. S. F. & G.

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ACCIDENT AND HEALTH FIELD

Shaping Conference Program

Three Speakers Announced for Annual Meeting of Health & Accident Underwriters in Detroit

The program for the annual meeting of the Health & Accident Underwriters Conference, to be held at the Book-Cadillac hotel, Detroit, June 12-14, is rapidly taking shape.

Announcement was made this week that L. U. Stone, Jr., vice-president Pacific Mutual Life, will speak on "Home Office Management," particularly as related to the accident and health business. He has been actively identified with the Pacific Mutual's accident and health department for many years.

Rickerd Is "Ad" Speaker

C. E. Rickerd of Detroit will lead a discussion of advertising expenditures by accident and health companies. He was formerly advertising manager of the Standard Accident and now heads his own advertising agency. He was one of the organizers of the Insurance Advertising Conference.

Ralph M. Rowland, National Casualty, Detroit, former secretary of the conference and now chairman of its membership committee, will open the session devoted to agency problems with a talk on the need for constant stimulation of the agency force.

As already announced, Thomas Waters, Jr., of Des Moines, chairman of the conference legal committee, will introduce the session devoted to the discussion of legal problems.

The Limited Mutual Compensation has moved into its new home office at 130 Bush, San Francisco.

Review Legislation, Decisions

C. O. Pauley Leads Discussion at April Meeting of Chicago Claim Association

State insurance codes and other legislation affecting accident and health insurance were discussed and reviewed at the April meeting of the Chicago Claim Association, with C. O. Pauley, secretary Great Northern Life, leading the discussion. Particular attention was given to the Illinois code, on which hearings are now being given at Springfield.

Following his review of legislation now up in the various states, Mr. Pauley read a number of recent court decisions involving accident and health claims, after which the meeting was turned into a round table and the cases cited were compared with previous holdings of the different courts and also with the actual experiences of the claim men present.

President T. W. Hislop announced that the next meeting, the last one the association will hold prior to the summer recess, will be held on board a dining car at the Union Station in Chicago. He invited the members to bring their wives and sweethearts as guests of the organization.

Mutual Benefit H. & A. Changes

J. B. Lambert has been appointed Arizona state manager by the Mutual Benefit Health & Accident with headquarters at Phoenix. He succeeds the late D. C. Smith. Mr. Lambert joined the company in 1931, being made district manager at Tucson, Ariz., in 1933.

P. A. Schneider has been named South Carolina manager. He has been

in the home office for four years as special claim adjuster, health and accident underwriter and manager conservation department.

Scobee Goes to Vancouver

F. S. Scobee, formerly of Juneau, Alaska, has been placed in charge of British Columbia territory by the Mutual Benefit Health & Accident of Omaha, according to report to the home office by L. F. Alaska, executive vice-president in the Dominion. Mr. Scobee is arranging for offices in Vancouver. He was succeeded in Juneau by his former assistant, A. O. Elstad, who takes full charge of Alaska for the company.

Thomas Leads Company

The W. L. Thomas agency, Los Angeles, led the Massachusetts Bonding in March in new accident and health business.

The agency held a dinner meeting. Interesting talks were given by Donald Glaze, R. M. Grindley, J. R. Dougher, and A. F. Holve. W. L. Thomas, agency director, told of the splendid record in production during the first quarter. J. Y. Hutchison, editor of "The Reflector," the agency bulletin, was toastmaster.

W. C. Trevena Advanced

W. C. Trevena of Detroit, who has made a notable record there as general agent for the Loyal Protective, has been promoted by that company to agency instructor.

Sales Congress in Los Angeles

LOS ANGELES, April 17.—The Paschall-Gist Company, general agents of the accident and health department of the Pacific Mutual Life, held an accident sales congress today. Speakers were W. R. Hoefflin, western agency supervisor; Wooster Gist, general agent; L. A. Arzt, agency sales manager; Cary Groton, vice-president in charge of the

accident department; J. B. Rhoades, junior vice-president and superintendent of claims; Jack Paschall, general agent. There was also a sales demonstration by Paul Phillips and P. W. Furlong.

Workmen's Mutual New Setup

MILWAUKEE, April 17.—M. Slutsky has been named secretary of the Workmen's Mutual, following the recent resignation of Olaf Johnson, former Wisconsin commissioner. Other officers of the company, organized in 1930, who continue, are T. M. Duncan, president; H. D. Jenkins, vice-president, and H. L. Ekern, general counsel. The report that its entire business has been reinsured with the Employers Mutual of Wausau is confirmed but the company will remain in operation, retaining its separate identity, and continue to write business.

Launch Coal Operators Casualty

A Pennsylvania charter has been granted to the Coal Operators Casualty of Greensburg, with \$100,000 capital, organized "to insure against loss or damage resulting from accidents, or injury, fatal or non-fatal, suffered by employees, for which the person insured is liable."

J. A. Robertshaw is president; W. J. Stiteler, Jr., secretary, and K. H. Bair, treasurer, all of Greensburg. Mr. Stiteler is a former manager of the State Workmen's Insurance Fund. Mr. Bair is chairman of the executive committee of the National Association of Insurance Agents.

Virginia Approves Revisions

Proposed amendments and revisions of the automobile casualty manual covering bodily injury liability and property damage liability submitted by the National Bureau of Casualty & Surety underwriters have been approved by the Virginia corporation commission. No change in rates is involved.

GENERAL REINSURANCE CORPORATION

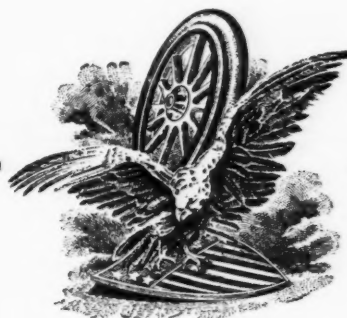
90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

E. H. BOLES, President • W. W. GREENE, Vice-President and Secretary • E. A. EVANS, Vice-President • ROBERT B. CROFTON, Vice-President

Condensed Financial Statement, December 31, 1934

Assets	
Cash in Banks and Offices.....	\$ 892,682.57
Investments:	
Bonds.....	\$4,410,757.01
Preferred Stocks.....	580,500.00
Common Stocks.....	2,349,600.00
North Star Insurance Co. Stock.....	852,057.86
Mortgages.....	492,200.00
Real Estate.....	73,500.00
	\$ 8,758,614.87
Premiums in course of collection (not over 90 days due).....	512,417.13
Accrued Interest.....	34,144.75
Other Admitted Assets.....	163,993.80
	\$10,361,853.12
Liabilities	
Reserve for Claims and Claim Expenses.....	\$ 5,358,889.82
Reserve for Unearned Premiums.....	2,044,050.69
Reserve for Commissions, Taxes and Other Liabilities.....	398,902.80
Capital Stock.....	\$1,000,000.00
Surplus.....	1,560,009.81
Surplus to Policyholders.....	2,560,009.81
	\$10,361,853.12

Bonds are valued on amortized basis; stocks at December 31, 1934 market quotations. The amortized value of bonds exceeds the value at December 31, 1934 market quotations by the amount of \$53,847.01. If bonds owned by North Star Insurance Co. were valued at market quotations the value of Capital Stock of that Company owned by General Reinsurance Corporation would be \$14,007.75 less than shown above. • Securities carried at \$824,680.68 in the above statement are deposited for purposes required by law.



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"AMERICAN AUTO"

For a quarter-century has confined its business to the insuring of automobiles—A pioneer in this field it has kept pace with the steady advances of automotive transportation.

Exemplifying the progressive advantages of specialized management, American Auto has constantly introduced new principles of underwriting and broader coverage benefits to meet the demands of rapidly changing automobile hazards.

Its PROGRESSIVE LEADERSHIP

Has been a dominant factor of dependable influence in the development of new standards for the writing of automobile insurance. American Auto's entire interest is devoted to this field and keyed to the closest possible understanding of the Agent's and Broker's problems in this important branch of their business.

AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, President

ST. LOUIS, MISSOURI

NATIONWIDE BRANCH OFFICE FACILITIES

BOSTON
211 Boston Insurance Exchange
Wilfred J. Pacquet
Manager

CHICAGO
A-2123 Insurance Exchange
South
E. D. Loring
Resident Vice-President

CINCINNATI
3301-2 Carew Tower
Cameron H. Sanders
Manager

CLEVELAND
1028 Hanna Building
George W. Talks
Resident Vice-President

COLUMBUS
1111 Beggs Building
R. I. Taylor
Manager

DETROIT
1717 First National Bank Bldg.
Robert Z. Alexander
Resident Vice-President

INDIANAPOLIS
210 Continental Bank Building
M. W. Doyle
Manager

LOS ANGELES
200 Corporation Building
Don R. Sessions
Resident Vice-President

MILWAUKEE
711 Warner Building
C. M. Latta
Manager

NEW ORLEANS
1227 Hibernia Bank Building
J. J. Grevenberg
Manager

NEW YORK
Suite 2101, 90 John St.
R. S. Choate
Resident Vice-President

PHILADELPHIA
Manhattan Building
J. R. Hughes
Resident Vice-President

PITTSBURGH
Investment Building
Jet Parker
Manager

ST. LOUIS
Pierce Building
Louis H. Antoine
Manager

SAN FRANCISCO
301 Adam Grant Building
George E. Adams
Resident Vice-President

SEATTLE
518 Skinner Building
J. R. Lawson
Manager

"Oldest and Largest Insurers of Automobiles Exclusively"

TRIPLING OF PRODUCTION PREDICTED

(CONTINUED FROM PAGE 35)

wives and men who are relying primarily on income from investments. As an entree to the first class, not generally used, he suggested the life insurance disability coverage, which has been discontinued by practically all life companies. He said it is amazing how the renewals on that form are going off and gave figures to show that in 1933, the last year for which they are available, the premium income on that class of business had dropped to one-seventh of what it was at the peak. It is up to the accident and health men to salvage this business so far as possible, he declared. The average man in this class buys life insurance, but knows that he can not now buy disability with it. He said that every accident and health company has some form of policy that could be used as a substitute for that form. He urged that producers work out a policy presentation along that line and weave it into this particular need.

For the second class, he advocated the use of what might be termed the franchise idea, whether it is really written on that basis or not—going to the employer and telling him that it is to

his interest to have his employees covered against loss through accident or illness, and getting a letter from him that can be used in solicitation of the employees.

The third class, he said, can not be sold weekly indemnity, but can readily be approached for such coverages as medical reimbursement and the low priced automobile accident policies. He emphasized the need for originality in approach and told of the good experience of one of the men in attendance in the use of longhand letters to prospects, when those of the more conventional type had failed to "pull."

In a round table discussion of specific methods that are being used to stimulate production during Accident and Health Week, C. Truman Redfield, Mutual Benefit Health & Accident; C. N. Dubach, Hartford Accident; W. E. White and A. D. Anderson, Continental Casualty; W. G. Miller and C. H. Davis, Pacific Mutual Life; F. W. McIntosh, Monarch Life; Percy D. Smith, Aetna Life, and others told of what their organizations are doing along that line. Mr. White emphasized the neces-

sity for a preliminary buildup and said if the arousing of enthusiasm among agents had not been started three or four weeks earlier it would now be difficult to get very satisfactory results.

Speakers expressed gratification over the fact that the movement for National Accident and Health Insurance Week had originated in Chicago and praised The Accident & Health Review for its leadership in that movement.

Royer Tuesday Speaker

H. G. Royer, president Great Northern Life, who was the speaker at Tuesday's luncheon, devoted his talk entirely to salesmanship in accident and health insurance. He declared that the greatest asset of any field man is to be able to talk intelligently for the first few minutes of his interview and interest his hearer to the point where he will be asked to stay. He strongly opposed high pressure methods and said the interview should proceed naturally and easily. The buyer's mental process is perhaps more deliberate than in former years. There is more intelligence and a better understanding of accident and health insurance on the part of prospects, but less capacity for payment. He expressed the belief, however, that business has now returned to a certain degree of normalcy.

In 1932-33, he said, it was largely a

question of the survival of the fittest. He told his agents at that time that the men who did survive would reap the harvest in after years. They had learned how to work. They had to work hard and systematically, nine or ten hours a day. He pointed out, however, that the average policy size today is only about half of what it was four or five years ago and the salesman must therefore make double the number of sales in order to maintain his income. He maintained that many agents are still trying to sell too large policies. He urged that they should concentrate on a form that meets the prospect's needs and which he can pay for.

He declared that competition between companies, as to the coverage granted by their policies, has virtually disappeared and that the competition today is in man power, in helping the agent to do the job. He insisted that actual selling experience is a necessary qualification for the manager or general agent. "If you can't do it yourself, I don't see how you can train others to do it," he added. He said he had considered suggesting the sponsoring of a national week for managers only, to see what they could do in selling, and let the agents sit by and look on. He insisted that it would be interesting to see what such an experiment would bring forth.

He emphasized that the most vital thing for the agents to know is whom to see, how and where. It is a tragedy when an agent doesn't know where he is going and fears that he may run out of prospects. In that connection, he took up the question of what sort of names to ask for in building up a prospect list. In their early years in the business, agents often are glad to secure any names that the prospect or new policyholder may suggest, but they find that such a list is no good. The prospect that is really worth while, he said, is the one with whom the man giving the name has some contact or influence. He told of one successful producer who never gives up when the prospect says he is not interested. This agent tells him, "I am sure you don't understand the proposition," and then goes all over it again. He says he gets 5 to 10 percent of those to whom he makes this second presentation.

Get Premium With "App"

Mr. Royer stressed the necessity for getting the premium with the application. "When you ride on a train or go to the theater," he said, "you don't pay afterward. You are willing to pay in advance, because it is something you want. Desire must be aroused to the point where the prospect wants the protection enough to pay for it." He closed with a strong presentation of the fact that income is the most important thing in life, based on the slogan for National Accident and Health Insurance Week, "Insure Your Income."

Isaac Miller Hamilton, president Federal Life, was the speaker Wednesday. James F. Ramey, vice-president Washington National, was scheduled to address the luncheon Thursday and Harold R. Gordon, executive secretary of the National Underwriters Conference, on Friday.

ANDERSON HAS 66 QUALIFIERS

A. D. (Andy) Anderson, manager of the accident and health department in the downtown branch office of the Continental Casualty in Chicago, had an attendance of 66 at his breakfast session Tuesday morning, at which one accident and health application was the price of admission. Six of them had already qualified at that time for the special prize offered for writing six applications during accident and health week. Speakers in addition to Mr. Anderson were Armand Sommer, W. E. White and H. A. Glasgow.

ENTHUSIASTIC IN LOUISVILLE

LOUISVILLE, April 17.—National Accident and Health Week got away to a good start in Kentucky and much enthusiasm is shown by agents writing

Sound

Progressive

Friendly

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

One of the American Group

STANDARD INAUGURATES ANOTHER NATIONAL ADVERTISING CAMPAIGN DESIGNED TO HELP STANDARD AGENTS SELL



A FEW OF THE NATIONAL MAGAZINES BEING USED FOR STANDARD'S 1935 NATIONAL ADVERTISING CAMPAIGN

AGAIN . . . EYES ARE TURNED TO STANDARD AND ITS REPRESENTATIVES

STANDARD has another strong national advertising campaign for 1935 . . . a campaign that is fundamentally sound . . . prepared only after extensive research as to the type of advertising which will prove most beneficial to STANDARD representatives. • STANDARD advertisements for 1935 will feature the local STANDARD agent prominently . . . as well as the fact that STANDARD writes all forms of casualty insurance and bonds; that it has paid over \$139,000,000 to policyholders; that it has a traditional reputation for

prompt and fair settlements. • STANDARD is proud of its record during more than 50 years of service . . . proud of its representatives who have helped to build it. This new advertising campaign is dedicated to STANDARD agents everywhere . . . in the firm belief that it will assist them to more sales . . . to greater profits.

• Agents throughout America are invited to watch for these advertisements in leading national magazines. They signal a greater opportunity for every STANDARD agent . . . for every stock company agent.

OVER 50 YEARS
a GOOD COMPANY for
GOOD AGENTS

STANDARD ACCIDENT INSURANCE COMPANY OF DETROIT

those lines. The Louisville Accident & Health Insurance Managers Association started its drive at a luncheon Monday, with nearly 100 members and guests present. It had been planned to arrange a sales congress but the time was too short to get this organized or arrange for speakers.

E. W. Welton, Business Men's Assurance, Louisville president, presided. Speakers included C. G. Schillerstrom, manager Washington National, former president National Accident & Health Association; Paul Dow, president Louisville Casualty & Surety Association; Charles Cravens, president Louisville Association of Life General Agents & Managers, William Cotton, president Louisville Life Underwriters Association; McKay Reed, recently appointed insurance commissioner of Kentucky, and H. N. Lukins, general counsel Washington National.

New Commissioner Welcomed

Mr. Reed in a short talk, following a rousing reception, said he felt he was fortunate in being the first commissioner under the new setup, which he believed will benefit insurance and result in a better department. He admitted he didn't know a great deal about health and accident insurance, in that his connections had been in the life field and he had always bought other lines as anyone else would do. "I can read a life policy intelligently," he said, "but when it comes to health and accident I have to depend on the agent that is selling it." Mr. Reed said he desired to help the agents all he could, and aid in keeping out those who are undesirable.

Lukins Tells of Early Days

Mr. Lukins spoke of the early days of the business and how difficult it was to break in and sell health and accident a few years ago, but explained that at the start the effort was made to sell those of means, rather than the working classes, who needed it the most. He contended that the public is insurance minded as to fire insurance and in real estate deals the seller lays great stress on his interest being insured, but that people must be educated to the importance of health and accident. He asserted that for every fire loss there are 113 accidents in Louisville and a similar ratio over the country. However, people will spend \$20 to \$50 a year for fire insurance, and overlook the more essential expenditure for accident.

He stated that accident and health insurance has grown more rapidly than anything in the country excepting the automobile industry over the past two decades. He told of a country banker long in the business, who recently stated that formerly donations were taken up regularly in the business section of the town to pay burial expenses of negroes and destitute whites, but today such donations are never asked for, due to health and accident, burial and similar insurance.

Mr. Welton stated that downstate many agents had placed posters of the governor's proclamation in bank offices and elsewhere to create interest. He suggested that all salesmen present make up lists and make it a point to see 10 to 15 prospects a day through the week. He held that if they would really work on health and accident this week, it would show notable results.

BOOST WEEK IN WICHITA

WICHITA, KAN., April 17.—Accident and health insurance was the subject of the second of the series of educational meetings of the Wichita Insurers. Dwight Smith of the Smith-Stone-Snyder Agency, former president of the Kansas Association of Insurance Agents, led the discussion, preparatory to the National Accident and Health Week campaign, thoroughly outlining the advantages of pushing such coverages, explaining the many prospects, and giving much valuable advice for soliciting. C. K. Foote will discuss "Meeting Mutual Competition" at the next meeting.

Accident-Health Window Display



This picture shows the window display prepared by the Pittsburgh Accident & Health Managers Association which is being used this week to bring home to the public the importance of income protection and of National Accident & Health Insurance Week. The Pittsburgh association has done particularly notable work in publicizing this week. With the exception of the life

associations, it is the first organization in Pittsburgh to put on a direct advertising campaign to reach the insurance buying public. The posters shown in the upper part of the display have been distributed throughout western Pennsylvania and are being displayed this week in conspicuous places in all the cities and towns in that section of the state.

Tell Threefold Purpose of Accident and Health Week

(CONTINUED FROM PAGE 35)

main yourself. The fact that incomes are reduced is all the more reason why a man should protect what he has." Mr. Robbins believes in the great power of the accident policy as an entree. It has an unlimited field. He advises all insurance salesmen to size up their prospects as well as they can. Much can be learned from a man's physical appearance and noticing details of his office and its furnishings. Conversation about a photograph has closed many a deal.

It was hoped that Mayor La Guardia of New York could be present at the meeting, but he was represented by City Chamberlain A. A. Burley, Jr., who expressed the interest of the city administration in the campaign.

The sales demonstration by Harry Usher, Aetna Life, which concluded the morning program, consisted of two scenes, one laid in a broker's office and the other in a prospect's office.

Sale Must Be Organized

In the afternoon J. C. Heyer, vice-president Commercial Casualty, spoke on selling accident and health insurance and gave some statistics on production in recent years. In Mr. Heyer's opinion, no one method of selling is best. Every man has his own individual method of presentation, but whatever that method is, it must be organized. He listed four fundamental steps in any sales program: Introduction, creation of desire for what the agent is selling, the contract, and the close. One of the points Mr. Heyer stressed was that a salesman should always ask questions which demand affirmative answers.

Col. H. B. Fairbanks, Connecticut General, said housewives offer an untapped field for accident insurance and should be considered prospects as well as their husbands. He, too, stressed the value of accident insurance to the agent because of renewals. During the depression it stayed on the books where other lines were cancelled. In conclusion, he said: "Get a pick and shovel and go out and dig." The final speaker was Charles Bellinger of W. L. Perrin & Sons.

The displays of the 26 companies sponsoring the congress formed an interesting feature. They were the Employers Liability, U. S. Casualty, Massachusetts Bonding, Fidelity & Casualty,

Norwich Union, Ocean Accident, National Casualty, Globe Indemnity, Maryland Casualty, Connecticut General, Standard Surety, Fireman's Fund, Indemnity of North America, Aetna Life, Hartford Accident, General Accident, Great American Indemnity, Continental Casualty, Century, New Amsterdam, Royal Indemnity, Preferred Accident, Commercial Casualty, London & Lancashire, Massachusetts Indemnity and U. S. F. & G.

At the end of the meeting it was found that 245 had registered for the course suggested by Mr. O'Connor, which insures its success. Many of those who enrolled hold the C. L. U. degree.

PITTSBURGH BREAKFAST

PITTSBURGH, April 17.—An 8 o'clock breakfast Monday, attended by an enthusiastic crowd of more than 200, ushered in National Accident and Health Week in Pittsburgh, sponsored locally by the Pittsburgh Accident & Health Managers Association. W. E. Stumpf, U. S. F. & G., president of the association, was chairman.

Mayor W. N. McNair was present as the city's official representative and assured those present of his hearty interest not only in accident and health insurance but also in the program of accident prevention. He had already issued a proclamation setting April 15-20 as a week for impressing upon the citizens the need for accident and health insurance.

W. H. Burchfield, vice-president of Joseph Horne Co., one of Pittsburgh's largest mercantile establishments, called attention to the large number of accidents occurring in homes annually, stating that they almost equal in number the accidents caused by automobiles. G. E. Clarkson, secretary-manager Western Pennsylvania Safety Council, and L. J. Froelich, assistant manager of the Travelers, were other speakers. Mr. Froelich delivered the "pep" talk and inspired his hearers to a week of strenuous effort.

Assisting Mr. Stumpf in arrangements for the week are W. M. Ivey, Lon C. Jeffrey, C. H. Bokman, W. A. Hopkins, B. F. Davis and F. O. Fletcher.

The Pittsburgh club did a fine piece of publicity work in connection with the observance. Large posters were displayed by scores of business houses,

not only in Pittsburgh, but throughout western Pennsylvania, while a number of the larger mercantile houses devoted entire windows to illuminated displays. The largest of these was shown during the week in the Fifth avenue windows of the Farmers Bank building.

DETROIT SALES CONGRESS

DETROIT, April 17.—More than 100 accident and health salesmen attended a sales congress which started off the National Health and Accident Insurance Week campaign in Detroit. They listened to addresses on salesmanship, health protection, traffic safety work and claims adjusting, coupled with graphic sales demonstrations and sales ideas briefly presented.

R. M. Rowland, National Casualty, president Detroit Accident & Health Managers Club, outlined the cooperative newspaper advertising campaign of the club in which "ads" stressing income protection from various angles reached more than 240,000 families every day during the week at the outset of the congress, coupled with publicity stories designed to create interest in income protection during the drive. He also called attention to the award to be given by the National Accident & Health Association for the most outstanding work and the trophy to be awarded by the Detroit club to the best producer locally.

Great Salvage Corps

Praising the National Health and Accident Insurance Week campaign, W. G. Curtis, president National Casualty, said: "I believe that in concentrating public attention on accident and health insurance in this manner you are doing a great thing for the insurance business. It is most certainly a step in the right direction, and I congratulate you upon it."

"Whether you realize it or not, you in this business are a great salvage corps. Your business is the salvaging of time. Time is a total loss unless you sell your clients accident and health insurance in advance of their need for time salvaging."

There is a constantly increasing realization among those persons in this country engaged in health conservation work of the importance of accident prevention, Dr. Henry Vaughan, health commissioner of Detroit, said. It was not many years ago that accidents were a relatively unimportant cause of death, said Dr. Vaughan, but today accidents bulk large among the causes of demise.

He presented a series of charts showing the trend of various diseases in Detroit over a period of years from the standpoint of number of deaths resulting.

Accident prevention, drunken driving and juvenile delinquency are now the chief problems of the police department, Col. Heinrich Pickett, police commissioner, asserted.

Sales Demonstration Given

E. H. McFarland, North American Accident, demonstrated his method of selling an accident and health policy, aided by Mr. Rowland posing as a factory foreman.

George Graves, manager accident and health department Detroit Insurance Agency, demonstrated the sale of a commercial policy with J. P. Collins, National Casualty, as the prospect.

E. B. Brink, state manager Mutual Benefit Health & Accident, gave a series of answers to objections. Alec Lambrakis of the Maccabees told how he was inspired to enter the accident and health insurance business. D. S. Nixon of the London & Lancashire Indemnity claim department asserted that the agent must be sold on his own business every day in the week.

In discussing claims, W. C. Butterfield, claims adjuster National Casualty,

said that the old time attitude of the agent that the claims department was working against him has given way to a more healthy understanding that the claims department is working with him.

E. W. Owen, manager Sun Life of Canada and widely known life insurance orator, gave a rousing inspirational address on "The Elements That Make for Science in Salesmanship" at the luncheon that closed the congress.

PHILADELPHIA ACTIVE

PHILADELPHIA, April 17.—Dr. S. S. Huebner of the University of Pennsylvania, chief speaker at a luncheon which opened the Philadelphia Accident & Health Association's observance of National Accident and Health Insurance Week, asserted that "a family head, so shockingly careless, or so gambling in nature if the significance of the insurance has been called to his attention, has really no right to have a family" if he does not carry accident and health insurance. He declared that "not to insure against accident and ill health is the height of folly in any case, and a rank gamble, contemptible and inexcusable, where a dependent family is at stake."

Addresses Are Broadcast

The luncheon was attended by all of the leading casualty men of Philadelphia as well as accident and health men.

Radio Station WFIL broadcast the addresses of both Dr. Huebner and Insurance Commissioner Owen B. Hunt. The association also received valuable newspaper publicity, in which the week was stressed as having the two-fold objective of cutting down the number of traffic accidents and the protection of the family income.

Commissioner Hunt told of the heavy toll of accidents and called for a demonstration against "the slaughter of peace."

He pointed out that within the coming year, enough people will be killed in accidents in the United States to populate a city the size of Reading, Pa. "More people than are now living in Philadelphia will be injured. Many of them will be maimed for life."

Edward A. Kenney, of the U. S. F. & G., president of the association, who presided, declared that accidents and ill health are responsible for more broken homes than the depression and that income insurance was founded on the first law of nature—self preservation.

"Our job," he said, "is two-fold: First, to assist safety organizations to cut down accidents and secondly, to insure the family income."

The committee who arranged the affair was composed of John F. Leibig, Continental Casualty; Edward MacLean, Massachusetts Indemnity, and E. S. Banks.

Agents in Big Turnout for Ocean Accident Sales Meet

(CONTINUED FROM PAGE 37)

discouraging to agents, Mr. Roth said that many declinations were due to the lack of full information. He pointed out that a bond is a financial guaranty which the company cannot enter into without knowing the facts. To secure business, he said the best thing is to let people know one is in the fidelity and surety business.

Sneak Thief Hazard Brings Most Claims

Mr. Hendrickson estimated that about half of the plate glass is uninsured. He showed how a business can be built up by canvassing and quoted an agent who wrote \$5,200 in new plate glass premiums in the three years of the depression. He started in on plate glass when his income decreased sharply from the loss of other business. In the three years the total business se-

cured from the plate glass solicitation yielded \$3,200 in commissions, as he was often able to get other lines after he had written the plate glass.

Mr. Brainard spoke only on residence burglary. He pointed out that it is desirable to use the full term, burglary, robbery, theft and larceny insurance, because so many prospects think a policy covers only burglary losses, that is, losses due to breaking and entering. As a matter of fact more losses under residence policies are paid for theft and larceny than for burglary and that hazard is actually the greater part of the risk. Furthermore, customers are conscious of the sneak thief or dishonest servant hazard much more than they are of the breaking and entering hazard. He estimated that there are 20,000,000 families in the United States whom the companies would be glad to insure but only 1,000,000 are insured. He made another interesting point on losses when he said that the claims paid for miscellaneous items are two or three times greater than those paid on jewelry, silverware and furs. Many prospects think because they have no jewelry and not much silverware they are not exposed to loss. The records of the loss department show a curious and almost incredible variety of articles stolen.

In his talk on boiler and machinery insurance, Mr. Royer started with an illustration of a power house. He showed a large number of slides demonstrating the havoc from the explosion of every kind of vessel. After showing the slides he pointed out that the electrical machines usually destroy themselves, while surrounding property remains intact. On the other hand, boiler, engine, turbine and fly wheel losses cause enormous damage. He said that the main point is to insure for the right amount. Thus electrical machines should be insured for their own value, while the other objects should be insured for enough to cover the damage they may do.

Illinois Fire and Casualty Rate Control Bills Now Up

(CONTINUED FROM PAGE 36)

There is a provision to take care of the Chicago Board. A company can't belong to more than one rating organization in the state except a company may belong to one that operates in counties of less than 500,000 population and another in counties of more than 500,000.

Deviation Provision

A company may deviate from the promulgated rates providing its experience for five years preceding warrants and provided the deviation is filed and is uniform and must remain in force for not less than one year.

The director would be directed to order an adjustment of rates if he finds unfair discrimination exists. Provisions for court review are set forth. Violation of any section would make the company or rating organization subject to a fine of not less than \$25 nor more than \$1,000. No company could pay any fine against any agent. There would be appropriated \$15,000 to the department for administering the act.

The independent bill provides the insurance department shall promulgate the automobile rates. A company may charge a less rate but it shall be applicable to all risks of the same character. The insurance director will be empowered to require the companies to furnish all data.

The rates would have to be reasonable. The director would be empowered to give any town, village, etc., credit for hazards that may reduce or remove the automobile hazard and give credit for a good automobile record. The director at any time may change the rate level by giving 30 days' notice. Any citizen or any chamber of commerce, automobile association, etc., would have the right to petition the department setting forth any complaint.

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JAMES GIBBS, President

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G. B. Slattengren, Manager

CAPITAL \$1,000,000

AMERICAN RE-INSURANCE CO

Robert C. Ream, President

67 Wall Street New York

DECEMBER 31st, 1934

CAPITAL	\$1,000,000.00
Surplus (at Market Values)	2,574,975.70
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	2,690,601.13
Contingency Reserve	48,127.58
All Other Liabilities	1,110,130.69
TOTAL ASSETS	7,923,835.10

NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.

CASUALTY-RE-INSURANCE

Thirty-Two Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

Code Hearings Held

(CONTINUED FROM PAGE 3)

He explained that the code had been in the course of preparation for two years, and that those who had prepared it had interviewed hundreds of representatives of all branches of insurance. He said that there were no jokers in it, none to be traded out of it, and that everything in connection with it is entirely open and above board. He said it would give the state proper and adequate control of insurance without interfering with legitimate business.

Some house members expressed the belief that the code should be changed so as to permit companies to invest in defaulted municipal bonds, which suggestion was energetically opposed by Mr. Palmer, who said: "We are trying to protect the trust funds of policyholders and not municipal bonds." He described the investment section of the code as one of its most important features, and explained several portions of that section to a number of questioners.

It was when J. H. Doyle of New York, general counsel of the National Board, took the stand, that the real fireworks began. Even those who are opposed to him agree that Mr. Doyle did a magnificent job. His manner was poised, ingratiating, and one sympathetic toward all questioners. When one of the house members asked if he might interrupt him, Mr. Doyle said, "Interrupt me any time, any place, anywhere." His frank and friendly manner got a warm response from his audience, and there is no question but that his appearance strengthened the National Board's case.

He began by dispelling the idea that he might be a city slicker from New York, representing large eastern interests. He said he was born 60 miles from Springfield, had spent many years of his life in Illinois, and felt as much at home in central and southern Illinois as in any other part of the country. Honors for the day were heavy in Mr.

Doyle's direction because of the fact that he occupied the floor most of the time, and Mr. Palmer was afforded very little opportunity to reply except to one or two questions. The unfairness of this became evident, and it was decided that at this week's hearing Mr. Doyle take up one by one the 16 amendments suggested by the National Board, explain the reasons why the National Board desires each amendment, following which Mr. Palmer would be permitted to explain why the department opposes it.

Test of Palmer and Doyle

Mr. Doyle commenced by quoting Mr. Palmer's charge that he had had no response from his letter to the National Board in 1933 asking for suggestions regarding the code, until its amendments were submitted in March. Mr. Doyle read a letter from E. M. Griggs, associate general counsel of the National Board in Chicago, which had been sent to Mr. Palmer in November, 1933, saying the fire companies did not appreciate the necessity of codification and did not desire to participate in drafting the suggestions. Mr. Palmer replied that there would be plenty of time for objections to be submitted.

Mr. Doyle said the National Board objects to the code because it is out of harmony with the laws of the other states. He said that the fire companies were told that they would have to take the code in its present form "and like it." He said that the fire companies in the whole might have to take the code "as is," but that they would never like it.

Investment Section

He centered his fire on the investment section, and declared that no code can bring solvency to every company in the country. The present draft is full of individual theories, although the code is said to be a completed document drawn by experts.

The investment section will not permit companies to invest in the securities of Hawaii, Alaska, Porto Rico and the Virgin Islands, or hold at interest larger than 50 percent of the stocks of other companies. Some provisions of the code simply could not be administered, Mr. Doyle said. Many splendid fire companies could not qualify under the proposed investment section, he asserted, and added that the investment provision attempts to tell a company that it must carry 10 percent of its assets in this pocket, 15 percent in another, etc. He explained why the surplus of a company is the most valuable

feature of its financial statement, but that the code stipulates that the amounts to be invested in the various types of securities must be based on surplus.

His final reference to the investment section was that it is silly. It would require companies to revamp their existing investments, and might result in a statutory impairment. He outlined the reasons why companies must have fluid assets and that no one can predict the damage that might be done by cyclones, earthquakes or conflagrations. He objected to the stipulation that any securities in default must be sold within one year of the date of the default. This is a particularly dangerous time to impose such a requirement on companies, Mr. Doyle declared, because reserves are low due to the decline in premium income.

He expressed the belief that the provision for 10 percent penalty for vexatious delay in settling claims, would encourage the quick payment of unjust claims.

Connecticut Situation

Mr. Doyle referred to Connecticut, saying that its laws are the least drastic of any state, and yet throughout the depression there has been no insurance failure or financial embarrassment of any company. The stock companies are discriminated against as compared to the mutuals or reciprocals, which, Mr. Doyle said, are given broader writing powers, especially the reciprocals in relation to automobiles. He declared that the Illinois insurance laws are not poor in the main. Most of the fire companies operating in Illinois are licensed in New York, which regulates their conduct to a large extent in Illinois. The code would prevent stock companies from taking credit for reinsurance except for companies licensed in Illinois. Frequently an insufficient amount of reinsurance might be secured from such companies, he said, and the one stock companies are permitted to take reinsurance from is a company not licensed in the state. To this Mr. Palmer said that the reciprocal provisions in the code regarding reinsurance are exactly the same as those applicable to stock companies.

At this point in the hearing Mr. Doyle made a statement evidently based on insufficient information, and which was incorrect because of an amendment written into the code which he seemingly did not know about. Mr. Palmer asked to be permitted to make a reply and began by saying, "I am sure that Mr. Doyle does not want to mislead the members of the house and that he does not want to make any deliberate misstatements." Mr. Palmer was excessively polite to Mr. Doyle. In fact, the two adopted the most pronounced Alphonse and Gaston manner toward each other, which observers felt accentuated the marked hostility and antagonism beneath the surface.

New York Standard Form

There was much argument over the proposal that the new New York standard form be required in Illinois rather than the old one. Toward the end of Mr. Doyle's appearance on the stand, the house got into pretty much of an uproar. Numerous legislators were all trying to gain recognition from the chair at the same time.

At both the senate and house hearings considerable time was consumed by James S. Baldwin of Decatur, president of the Illinois Bar Association and representative of the Illinois Chamber of Commerce, who entered a long list of objections, mostly of a technical nature. In general, his attitude was favorable to the code, and the amendments desired by him were more or less of a legal nature. The amount of time consumed by him in making his case, however, prevented other speakers from being heard because of the short time given over to the hearing in both branches of the assembly.

Harry C. Hausmann of the Illinois Bankers Association objected to the provision in the code prohibiting banks being licensed as insurance agents in

towns of more than 5,000. He characterized this as discriminatory, and said that it sets out one particular class of citizens who may not be able to act as insurance agents. He predicted that this provision of the code could never be sustained in court, and said it was a violation of the fourteenth amendment of the federal constitution.

Put Banks in Their Place

Mr. Palmer explained that this feature had been included to force the banks to stay in the banking business, and definitely to divorce banking and insurance in the larger centers where that seems desirable.

Mr. Hausmann also demanded that the examinations of agency applications be conducted by the state department of registration and education rather than by the insurance department.

Mr. Hausmann asserted there is a definite demand in Illinois for the special coverages provided by London Lloyds. He said that Lloyds' insurance is especially advantageous to small banks, and took a stand against Lloyds being unduly hampered in their operations.

Considerable feeling has been aroused because the code was referred to the house as a committee of the whole rather than to the insurance committee. Members of the latter committee, numbering about 50, have been expressing resentment.

AMENDMENTS AGREED TO

Some 60 amendments have been agreed upon to the amended Illinois insurance code. Many are mere corrections of verbiage to smooth out the operations of the code or the companies affected.

One of the amendments that actually changes the effect adds truck cargo to the lines of insurance that can be written by reciprocals under section 34.

In section 38 the code provided that a reciprocal, after it acquired sufficient capital or surplus, could stipulate in the power-of-attorney for non-assessable policies. The amendment changes it to give the reciprocal simply the power to issue such policies, with the apparent implication that there is no need of putting it in the power-of-attorney and letting the policyholders in on it.

Investment Revision

A foreign or domestic company is admitted, under section 62, subsection (i), if its investments are in accordance with the laws of its domicile, provided such investments are of the same general character permitted domestic companies and afford a degree of solvency equal to that imposed on domestic companies. This is a change from a requirement of "the same general character that domestic companies are permitted to hold."

By an amendment to section 64 the Travelers and Aetna Life are permitted to continue compensation and liability for five years, and for a second five years upon a showing at a hearing before the director that they have made reasonable progress in the discontinuance of such business.

Section 67, giving a penalty of 10 percent for vexatiously refusing to pay claims, is amended by adding after vexatiously, "and without reasonable cause." A new section is added, section 67a, authorizing the director to revoke the license of any company that has vexatiously and without reasonable cause refused to pay a claim.

Section 68 (c) is amended in regard to special assessment bonds so as to exclude them only when they are secured "only" by special assessment or local improvement.

Section 84 on salaries paid by companies is limited to life companies by amendment.

The advertising provision, section 92, requiring the showing of liabilities with assets, is limited to newspaper, periodical or magazine advertising.

A proviso is added to section 99, on misrepresentations and warranties. ex-

(CONTINUED ON LAST PAGE)

CASUALTY CLAIM MAN AVAILABLE

With over fifteen years experience multiple lines; Branch and Home Office experience; Manager of Claims Department in Chicago, is available at once. Free to go to any section of country. ADDRESS B-69, NATIONAL UNDERWRITER

WANTED

Safety Engineer to supervise automobile fleet safety department. Location middle west. State age, also qualifications and experience fully. ADDRESS B-70, NATIONAL UNDERWRITER

New Amsterdam
Casualty Company

A Progressive Surety and Casualty Company

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States

**Income
Insurance
Specialists**

• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

Resume Hearings on Illinois Code

(CONTINUED FROM PAGE 46)

cepting marine and transportation insurance.

A pair of amendments to section 158 excepts raters, etc., and executive officers from the license provision. Incorporated service representatives are provided for by a new paragraph in subsection (b) of section 166. Requirement of the agent's license number on policies is eliminated.

A. & H. Associations

Section 342 is struck out and an entirely new section substituted, on emergency funds and assessments of accident and health associations.

A monthly reserve on accident policies other than non-cancellable is permitted by an amendment to section 348. A funeral benefit of \$200 is permitted by an amendment to section 350.

District, county and township mutuals are allowed to choose their own date for their annual meetings by amendment to section 378. A change in section 401 gives a similar privilege for directors of windstorm mutuals.

A retaliatory provision is added to the code in a new section numbered 419½.

Section 420, on review of orders of the director, is entirely rewritten.

Title guaranty companies are excluded from the insurance code by an addition to section 424.

A new paragraph added to section 34 authorizes any government or governmental agency, any state or political subdivision thereof, or any public or private corporation, etc., to join a reciprocal.

By an amendment to section 54, Lloyd's associations are not allowed to deduct commissions on premiums in calculating the unearned premium reserve.

Reinsurance Allowed

Credit for reinsurance premiums in unauthorized companies may be taken by licensed companies if they can show that the ceded reinsurance was unobtainable in licensed companies. This is by amendment to section 75.

By an amendment to section 106, mutual, fire and casualty companies, may pay varying dividends on various classes of risks.

A change in section 388 allows district, county and township mutuals to fix an assessment liability of 3 percent of the amount of insurance carried. The same limit is allowed windstorm mutuals in section 410.

Surety companies joining in a bond are allowed to limit their liabilities to less than the total amount of the bond by an amendment to section 365.

Casualty People Confer

The Chicago casualty people were called together for a meeting last week with Henry Swift Ives and Claude Fairchild of the Association of Casualty & Surety Executives for discussion of the code proposition. Previously the association at a meeting in New York had gone on record as being opposed to the code in its entirety, but many of the Chicago representatives were not in sympathy with their head offices and continued either personally to voice approval of the code or else took a neutral position.

There was no official statement after the meeting in Chicago, but the Chicago people were supplied with a form letter, which they were asked to send to their agents urging that the agent use every honorable means at his disposal to cause defeat of the code. The letter said that Insurance Director Palmer had indicated unwillingness to make the amendments which the companies believe essential, in the investment-section, in the provision as to misrepresentation, and in the section imposing a 10 percent penalty for vexatious delay in settling suits. If the code were enacted with these and other objectionable provisions, it would result

Companies Writing Other Classes of Casualty Business in INDIANA

	Premia.	Losses		Premia.	Losses		Premia.	Losses
Aetna Cas.	144,968	90,807	Monarch Life	49,827	27,312	Columbia Cas.	3,963	230
Aetna Life	995	559	Mut. En. H. & A., Nebr.	152,487	90,084	Cont. Cas.	39	.....
Amer. Cas.	2,741	483	Mutual Cas., Ill.	11,750	6,085	Eagle Indem.	231	.....
Amer. Employ.	1,641	409	Natl. A. & H., Pa.	8,509	4,790	Employ. Liab.	19,794	26,362
Amer. Sav.	23,391	6,981	Natl. Acci. Soc., N. Y.	611	196	Employ. Reins.	705	.....
Bankers Indem., N. J.	—49	200	Natl. Cas.	51,716	23,396	Excess	5	.....
Ben. Assn. Ry. Emp.	116,500	62,522	Nat'l Home Acci.	2,441	191	Europ. Gen. Re.	705	.....
Bus. Men's Assur.	92,881	59,131	Nat'l Life & Acc.	167,242	68,686	Fidelity & Cas.	35,991	1,488
Central Assur. Co., Ohio.	106	33	New Amsterdam	4,573	404	Globe Indem.	4,540	.....
Central Health, Nebr.	5,260	3,021	No. Amer. Acci.	52,629	20,265	Hartford S. B.	110,275	5,107
Century Indem.	805	2,489	Norwich Union	130	358	London Guar.	3,406	.....
Columbia Natl. L.	3,804	8,145	Ohio Cas.	10,406	2,619	Lumbermen's Mut. Cas.	1,985	.....
Columbus Mut. L.	14,085	3,371	Ohio State Life.	1,106	125	Maryland Cas.	16,456	2,786
Commercial Cas.	23,106	9,228	Pacific Mutual	121,978	164,017	Mutual Boiler	2,043	7
Conn. General	39,336	18,422	Paul Revere Life.	9,360	2,781	Ocean Acci.	13,376	1,368
Continental Assur.	4,872	1,194	Peerless Cas.	4,622	2,088	Phoenix Indem. Co.	837	.....
Continental Cas.	177,894	104,591	Phoenix Indem.	939	1,261	Standard Acci.	191	.....
Craftsman	15,296	6,804	Preferred Acci.	44,428	22,417	Travelers Indem.	24,269	1,468
Eagle Indem.	1,837	3,221	Prot. Indem.	229	59			
Empire L. & A.	338,513	135,292	Prov. L. & A.	69,919	44,388	Total, 1934	\$ 246,486	\$ 39,796
Employ. Liab.	13,960	3,567	Prudential Life.	69,429	17,701	Total, 1933	197,408	21,473
Employ. Reins.	13,409	10,705	Reliance Life.	7,915	3,394			
Equit. Life, N. Y.	19,484	10,534	Rex H. & A.	31,056	6,702	ENGINE AND MACHINERY		
European Gen. Re.	24,891	22,437	Royal Indem.	2,527	3,920	Aetna Cas.	7,509	.....
Excess	176	.....	Saint Paul Mer. Indem.	30	2,500	Amer. Employ.	657	.....
Federal L. & C.	9,649	2,254	Security Mutual Cas.	260	.....	Amer. Reins.	305	.....
Federal Life, Ill.	42,356	14,357	Sentinel Life. ....	.....	.....	Columbia Cas.	1,083	22
Fidelity & Cas.	16,261	4,761	Standard Acci.	14,534	17,701	Cont. Cas. ....	.....	.....
Fid. H. & A., Mich.	47,981	23,714	State Farm Life.	4,645	895	Eagle Indem.	401	66
Fireman's Fund	1,421	41	Sun Indem.	123	235	Employers Liab.	15,280	965
First Reins.	3,361	7,448	Superior L. H. & A.	9,692	1,845	Europ. Gen. Re.	5,403	44
General Acci.	4,421	1,649	Travelers	303,352	156,795	Fidelity & Cas.	36,439	.....
General Amer. Life.	6,317	3,857	United Cas.	2,301	560	First Reins.	64	.....
General Reins.	12,129	6,981	United Benefit Life.	1,281	.....	General Reins.	5,679	.....
Glens Falls Indem.	4,383	770	United Ins.	39,728	11,858	Globe Indem.	7,626	1,011
Globe Indem.	17,871	18,363	U. S. Casualty.	17,601	18,921	Hartford S. B.	101,579	12,273
Great Amer. Indem.	1,376	868	U. S. F. & G.	33,497	26,148	London Guar.	7,796	400
Great Northern Life.	73,844	41,416	Utilities Ins. Co.	143	.....	Maryland Cas.	3,357	.....
Great Western	7,921	3,353	Washington Natl.	107,424	55,573	Mutual Boiler	1,711	.....
Hartford Acci.	22,901	21,142	West & Southern Indem.	4,550	2,317	Ocean Acci.	1,984	.....
Hoosier Cas.	121,257	55,413	Wis. Natl. Life.	11,090	4,695	Royal Indem.	2,060	133
Ill. Mut. Cas.	20,711	7,862	Woodmen Acci. Nebr.	74,319	40,316	Security Mut. Cas.	126	.....
Income Guar.	40,282	31,080	World Life & Acci.	12,386	2,161	Travelers Indem.	1,147	.....
Indemnity N. Amer.	1,752	1,015	Zurich	13,171	5,169			
Indiana Mut. Life.	18,584	1,499				Total, 1934	\$ 200,266	\$ 15,162
Indiana Travelers	49,907	.....	Total, 1933	3,427,716	1,494,226	Total, 1933	109,507	5,586
Industrial Cas.	15,920	9,068	*Not segregated from life figures.					
Inter-Ocean Cas.	7,880	1,916				SPRINKLER LEAKAGE AND WATER DAMAGE		
Int. St. Bus. Men's.	10,096	10,993				Aetna Cas.	4,763	1,112
Jeffersonville Mut. Prot.	1,034	.....				Amer. No. Amer.	143	25
Kentucky C. L. & A.	131,574	42,339				Maryland Cas.	781	20
Legion Life.	764	500				Metropolitan Cas.	482	48
London & Lanc.	13,409	4,367				U. S. F. & G.	869	130
London Guar.	9,653	1,720						
Loyal Prot.	45,186	33,116				Total, 1934	7,038	1,335
Lumber Mut. Cas.	1,479	6,601				Total, 1933	2,809	1,190
Maryland Cas.	10,767	2,870						
Mass. Acci.	5,950	1,778				LIVE STOCK		
Mass. Bonding	28,045	12,896				Hartford L. S.	9,503	2,347
Mass. Indem.	9,821	7,680				Total, 1933	5,635	3,058
Mass. Prot.	210,494	131,761						
Metropolitan Cas.	10,920	6,583						
Metropolitan Life.	390,742	140,288						
Mich. Mut. Liab.	1,149	316						

CASUALTY PERSONALS

George J. Lieber, Michigan resident manager of the Fidelity & Casualty, has returned to his home in Detroit after a major operation followed by a ten-day stay in the hospital. He is confined to his bed but is able to be up for a short time each day.

R. L. Mannon, underwriter of the Fireman's Fund Indemnity and chairman of the safety committee of the San Francisco Junior Chamber of Commerce, speaks before the presidents' assembly of the City and County Federation of Women's Clubs April 23. Mr. Mannon has recently appeared in a number of radio broadcasts under the auspices of the California Traffic Safety Council.

Luther G. Younglove, secretary of the Freeport Motor Casualty of Freeport, Ill., died last week after a prolonged illness. He was 66 years of age. He was president of the First National Bank of Freeport.

Mr. Younglove was born near Pearl City, Ill., in 1869. The family moved to Freeport in 1880 and then to Florida in 1882. He returned to Freeport in 1903 and had been located there until his death.

Before entering the insurance business,

in driving deserving companies from the state, the letter declared. Some of the local casualty people are working whole heartedly with their companies for defeat of the code, but others are still refusing to campaign against it.

The life companies have neither approved nor taken a position against it. They object particularly to the penalty section, the retaliatory section and the section on misrepresentation.

ness, he was in the livery business at Freeport. In 1917 he organized the American Automobile Underwriters, the name of which was changed to Freeport Motor Casualty in 1928. He served as president, general manager, secretary and treasurer at various times.

He had been connected with the First National Bank for a number of years as director and when the new bank was organized two years ago he was drafted as president. He had served as president of the Freeport Country Club.

R. L. Gregory, 38, president of the Postal Life & Casualty of Kansas City, identified with the insurance business in Kansas City for some years, died at his home there.

H. A. Behrens, president of the Continental Casualty and Continental Assurance of Chicago, has returned to his office after an absence of several weeks on a South American voyage.

H. E. Walsh, manager of the combined claim departments of the New Amsterdam Casualty and United States Casualty in Chicago, has just returned from a vacation at Hot Springs, Ark.

W. C. Garrison died Sunday at his home in Newark, N. J. He was chairman of the board of the Commercial Casualty and a director of the Firemen's of Newark. He retired from active business about a year ago.

T. H. Matthews, 56, vice-president of the Kentucky Central Life & Accident since 1917 and connected with the company for 32 years, died suddenly from heart disease.



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Service at Hotel Fort Shelby is warm—real—gracious. You feel "at home" here all the time. 900 rooms—all with private bath—circulating ice water—box-mattressed beds—servitors. Rates from \$2.00. Two popular priced restaurants. Cocktail Lounge. Garage.

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⊗ The **MAYFLOWER**

In Toledo it's

⊗ The **NEW SECOR**

In Miami Beach it's

⊗ The **FLEETWOOD**
An Exclusive Winter Resort Hotel

DeWitt Operated Hotels
are located in the heart
of their respective cities

New 1935 "Handy Table" for Appraising Now Ready

With Figures brought up to date for 1935

How To Determine Quickly, Approximate Actual Cash Value of a Building

Insurance adjustment of loss is made on a basis of ACTUAL CASH VALUE of the damaged property at the time of loss. And if there is a coinsurance clause in effect, the amount to be recovered depends also upon the relation between ACTUAL CASH VALUE and the amount of insurance carried on the property.

Thus it is quite important, in fixing the amount of insurance on a building, that the owner (and the agent also) know at least approximately what the ACTUAL OR INSURABLE VALUE of that building is. Only thus can precaution be taken that the amount of insurance is (1) not less than it should be properly to protect the interest of the owner and (2) that the insurance on the building is not greater than the actual value of the building—that the owner does not pay for insurance that he does not get. **VALUES HAVE CHANGED A LOT THESE LAST TWENTY YEARS—AND THEY ARE STILL CHANGING.**

What Is the Insurable Value?

If you had something to carry in your inside coat pocket which would enable you at any time to arrive quickly and easily at the then approximate insurable values of various kinds of buildings it would help both you and your customers, wouldn't it?

You could then find out without delay whether the amount of insurance carried or proposed on a building is much greater than its insurable value, or much less than it should be to protect the assured and to comply with coinsurance requirements if any.

With the "Handy Table" you will be prepared at any time to do these very things.

The "Handy Table" has been compiled and copyrighted by an experienced insurance engineer. It has full and simple directions for use. It exhibits in a new way a method of determining approximate construction costs of different kinds of buildings for the years 1913 to 1935. It is the result of practical experience, is made for long, hard use and comes in a stout manilla envelope, pocket size. **AND IT COSTS BUT \$1.00.** With it in your pocket you can quickly and easily convert original cost of building to the approximate present actual (insurable) value of that building. And if you cannot find out the original cost, the "Handy Table" supplies cubical contents rules for different kinds of buildings to help you in arriving at approximate reconstruction costs of buildings of different classes of construction and occupancy. In addition there is an insurance depreciation table. You won't want to part with the "Handy Table" because you will use it much to your advantage.

The most for \$1.00 you ever saw! Invaluable to field men and live insurance agents.

Send your name and address and the \$ today!

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Enclosed is \$1.00. Send me one of your "Handy Tables."

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JOHN J. WOELFLE, Manager.

Single from	Double from	Twin-Bedded from
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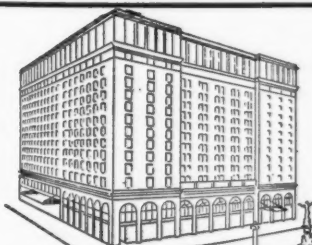
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We can properly be proud of being old fashioned

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Yet feel an even greater measure of pride in that

The company's well proven policies have always been
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Today's business needs are not those of a few years ago.

NEW IDEAS must develop; new methods are needed,
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C. R. STREET, Vice President G. D. GREGORY, Secretary



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*Automobile
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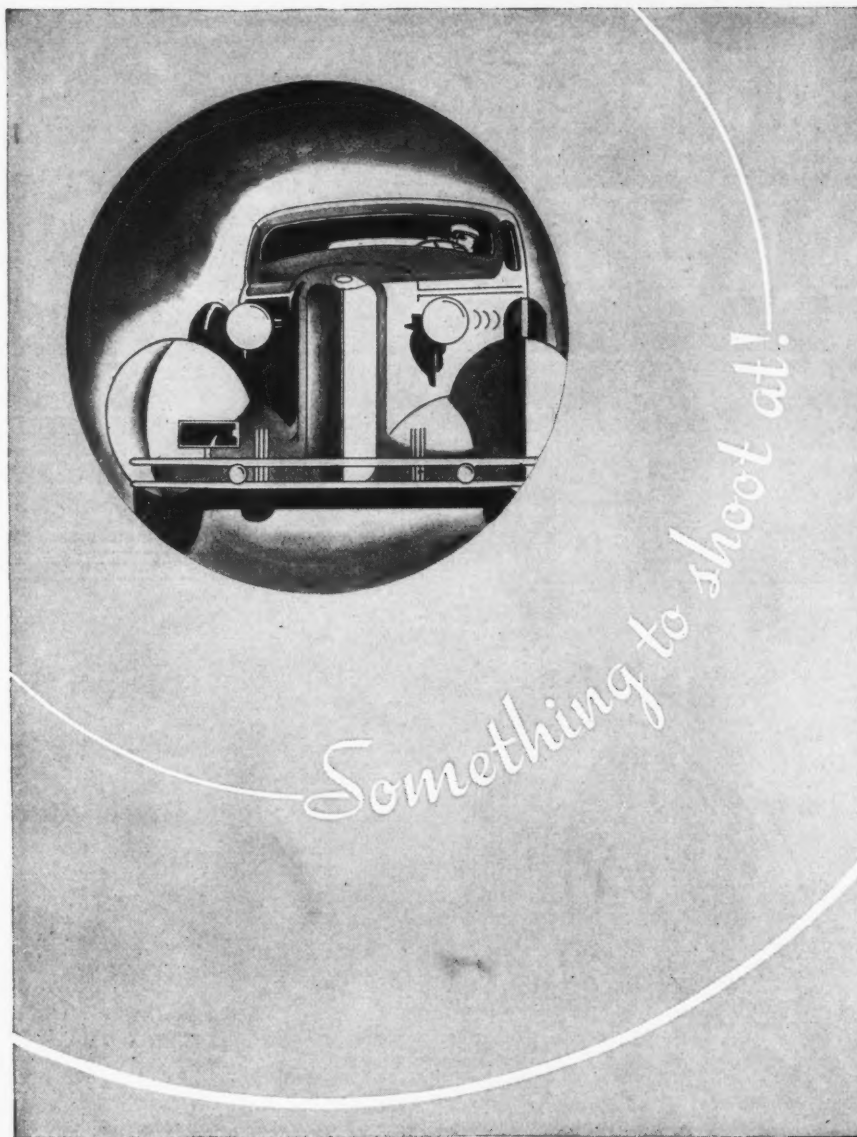
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L. A. HARRIS, *President*

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FRIDAY, APRIL 19, 1935



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Paradise to the hunter—profits to the insurance agent.

Additional Automobile premiums are certainly "something to shoot at." The sales material, listed above, which Royal-Liverpool Companies furnish their agents to help them sell the new Comprehensive Automobile coverage (approved in most states) is premium-producing ammunition.

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THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-ninth year. No. 16-A. Friday, April 19, 1935. \$4.00 a year, 25 cents per copy. Entered as second-class matter April 25, 1931, at postoffice at Chicago, Illinois, under Act of March 3, 1879.

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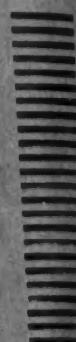
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American States' Assets Increase 120%

DURING the past four years the American States has increased its Assets 120%—from \$596,000.00 December 31, 1930, to \$1,250,000.00 December 31, 1934.

Premiums Written Record

During the past four years the net premiums written have increased from \$486,000.00 in 1930 to \$1,050,000.00 in 1934.

FINANCIAL STATEMENT, DECEMBER 31, 1934

<i>Assets</i>		<i>Liabilities</i>	
Cash.....	\$ 123,851.68	Reserve for Unearned Pre-	
U. S. Government		miums	\$ 471,360.58
Bonds	719,511.66	Reserve for Claims.....	276,686.35
State and Municipal Bonds	18,070.00	Reserve for Adjustment	
Public Utility Bonds.....	110,780.00	Expense	9,733.03
Industrial Bonds	33,958.75	Accounts	4,138.85
Stocks	25,331.13	Reinsurance	1,896.72
Railroad Bonds	3,810.00	Accrued Taxes	20,352.02
First Mortgage Loans.....	24,700.00	Accrued Agents' Commis-	
Real Estate	2,100.00	sions (Not Due).....	53,056.12
Accrued Interest	8,340.10	Dividends Declared	3,750.00
Reinsured Losses Receiv-		Total Liabilities.....	840,973.67
able	210.03	Capital	\$200,000.00
Premiums in Course of Col-		Surplus	209,500.02
lection (Under 90 Days)	179,810.34		
		Surplus to Policy-	
		holders.....	409,500.02
	\$1,250,473.69		\$1,250,473.69

BONDS AND STOCKS AT ACTUAL MARKET VALUE DECEMBER 31, 1934.

A M E R I C A N S T A T E S
I N S U R A N C E C O M P A N Y
I n d i a n a p o l i s , I n d i a n a

AUTOMOBILE INSURANCE EXCLUSIVELY

The National Underwriter

Automobile Insurance Number

Lessons to Be Learned from Adversaries in Auto Insurance Selling

By H. J. Burrridge

IT IS getting rather tiresome to have to listen to the complaint that local agents make regarding the inroad that mutuals, reciprocals, specialty companies, and cut rate stock companies are making upon their automobile business. It is not necessary to name names, but everybody knows that there are certain specialty automobile companies, agency mutuals, inter-insurance exchanges, local mutuals, etc., that are doing a whale of an automobile business, and that the tendency is for them to get an increasingly large proportion of the total as time goes on. Some years ago it used to be predicted that companies of this type would "blow up," that they were basically unsound, and the intimation was rather freely made that anyone who insured his automobile in concerns of this character was a little soft in the head.

In all fairness it should now be granted that the failures among mutuals, reciprocals, and even stock companies writing below manual rates, have been no worse than among regulation stock companies, and probably not as extensive as far as policyholders are concerned. The answer to the increasingly large automobile business being done by carriers of this type is not to dismiss them with a deprecatory wave of the hand. Instead, companies, but especially agents themselves, should take the time to study out why these specialty writing automobile companies of all classifications are so successfully increasing their automobile premiums year after year.

Price Appeal Is Only An Incidental Factor

The easy answer to make to the whole question of course is to say that these specialty companies are selling automobile insurance at 20 or 25 percent less than the rate asked by the conference companies; that the average man is watching every expenditure he makes closely in these hard times, and that the price appeal alone claims the business away from the conference companies. Anyone who has made a real study of the automobile business

knows that any such answer is just so much rubbish. Some people do buy automobile insurance in the cut rate specializing companies because the price is lower, and they are concerned over the cost, but for everyone who does so, there are 10 who buy because they have been solicited in a thorough going, aggressive, and intelligent manner. There are many who believe that the specializing companies could not only charge as much as the conference companies, but even more, and still do about the same volume of business now being transacted. Anyone who thinks it is all a matter of price simply doesn't understand what is going on in the automobile business.

Operations Compare With Industrial Life Agents

In this discussion the activities of the mail order companies, the concerns operating without any agents, are not going to be considered. There is a special form of competition, but they are decidedly in the minority. The companies whose competition local agents can meet and defeat is that being offered by the agency mutuals and reciprocals and cut rate stock companies. These companies are doing a good business because they are merchandising automobile insurance in an intelligent systematic way that makes an appeal to a great many automobile owners. Most of them proceed in very much the same way. As a basis for all operations they compile lists of automobile owners, showing the kind of car owned and its age. They also keep their salesmen supplied with the names of new car owners as fast as these are procurable.

In big cities like Chicago, Detroit, Los Angeles and others, the large inter-insurance exchanges usually affiliated with the local automobile clubs, employ large staffs of salesmen on a salary and commission basis. They operate these men very much along the lines followed in an industrial life office. That is, they assign a definite territory to each man, equip him with an organized selling talk, and a complete sales kit. Meetings of the whole staff are held

once or twice a week, the standings of the men are shown on blackboards as they are in industrial life offices, and in every way the idea of selling, of getting the business, of making a record, of earning a good living in the insurance business, are emphasized over and over again and above everything else. The men attached to these offices produce business because they are organized to produce it, and provided with the equipment that helps them get it. More important, though, than all of their equipment and everything else that goes with it, is the fact that they do go out and solicit automobile business almost on a door to door basis.

That is where they part company with the average local agent who follows no such program, and who, unfortunately, in most cases, seems to feel himself above operating in this way.

No Sympathy for Man Who Doesn't Solicit

It is hard for anyone who is interested in the production end of automobile insurance to sympathize with the local agent who is not willing, not only to go out and try to sell automobile insurance, but to solicit or canvass it. For some reason that is difficult to fathom, many local agents abhor the words "solicitor" or "canvasser." They seem to feel that these appellations denote an aluminum-ware salesman, a house-to-house peddler of lead pencils, or something of the kind. After all, what is a local agent if he is not a salesman, and what is there about a salesman or what a salesman does that anybody should apologize for? The whole business world of today is on a selling basis, and every product that is made has to be sold by salesmen who in many instances must be men of very superior ability. There is certainly nothing undignified or disgraceful about a local agent going out after business. Any local agent who is to be successful, must stop thinking of himself as a counsellor or an underwriter or an engineer or a fire preventionist, or any of the rest of the inaccurate descriptions

of an insurance salesman, and regard himself as a producer of business, as a man who goes out and finds premiums for the companies that he represents so that he can make a commission. Hundreds and hundreds of local agents with good companies able to give the very finest kind of service are sitting in their offices looking after bookkeeping details, or carrying on work that any reasonably intelligent girl could do at a low salary. The whole function of the local agent is to get the business, and it is only obtainable by the agent who goes out after it, and who goes from one prospect to the other, hour after hour during the day.

It is only because the salesmen attached to the non-agency mutuals, reciprocals, etc., are operating on this basis that they are getting the business. There is no mystery about it. They are not doing anything that any regulation stock company local agent cannot do. It is all a question of whether the average local agent is willing to go out and hustle for say three hours every morning and three hours every afternoon. If he will do this, and will take care of his office work before 9 o'clock in the morning, after 5 o'clock in the afternoon and over the noon hour, he will begin to produce not only a large volume of automobile business, but of all other kinds. Getting any kind of business is all a question of going after it, keeping after it, working under a definite sales system, and side-tracking all nonessential details so that the maximum amount of time may be given to making actual sales presentations.

Thirty Hour Week Not for Men with Things to Do

Henry Ford said a little while ago, "There never has been any 30 hour week for men who had anything to do." That is certainly true so far as the successful local agent is concerned. Whenever anybody finds a particular company or class of companies corraling an abnormally large volume of insurance premiums, it can be put down at once that this company or companies

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FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

CLASS OF COMPANIES	1934						1933			1932		1931		1930	
	Net Prams. \$	Percent of Total	Inc. or Dec. in Prams. \$	Percent Change	Paid Losses \$	Loss Ratio %	Net Prams. \$	Percent of Total	Loss Ratio %	Net Prams. \$	Loss Ratio %	Net Prams. \$	Loss Ratio %	Net Prams. \$	Loss Ratio %
STOCK CASUALTY	213,938,570	51.9	-647,708	-3	110,913,839	51.8	214,586,278	56.3	50.9	238,719,763	54.7	274,006,856	50.2	265,285,787	48.8
FULL COVERAGE	24,884,195	6.7	+3,225,225	+15.	10,802,876	43.4	21,658,970	5.7	41.2	19,998,800	46.2	27,090,867	52.2	35,142,066	51.5
STOCK FIRE	79,098,183	19.1	+13,669,880	+21.	31,126,729	39.4	65,428,303	17.2	44.	73,727,736	57.3	96,202,130	58.7	107,153,791	54.3
MUTUALS	74,224,242	18.	+10,632,127	+16.5	30,973,401	41.8	63,592,115	16.6	37.4	60,666,386	40.2	62,134,544	41.4	64,967,597	41.1
RECIP.-LLOYDS	17,821,921	4.3	+1,574,323	+9.7	7,180,982	40.2	16,247,598	4.2	42.	18,492,842	50.1	22,858,068	49.5	23,953,401	45.9
TOTAL	409,967,111		+28,453,847	+7.5	190,997,827		381,513,264			411,605,527		482,292,465		496,502,642	

"Slumming" Is Recommended to Agents in Selling Individual Risks

LOCAL agents are wont to regard with dismay the great inroads that have been made in the automobile insurance business by direct writers, by mutuals, by specialty companies and in general by those who do not conform to the majority method of transacting the insurance business in this country.

They see the automobile clubs cutting a huge slice of the automobile premiums. They see Sears, Roebuck & Co. undertaking to apply the principles of that great institution to the selling of automobile insurance; they see companies like the State Farm Mutual of Bloomington, Ill., getting premiums from every crossroads in the country through the solicitation of farm bureau employees, local ministers, farmers, etc.; they see cities organized into districts and canvassed from house to house by automobile insurance salesmen, working under close control, delivering more or less organized sales presentations and operating much like the industrial life insurance agent on a debit. They see direct writing companies flooding the mails with automobile insurance literature and following up with canvass by salaried employees who are thoroughly drilled.

Agent Is Dismayed by the Loss of Business

All of these methods are foreign to the traditional local agency method of doing business and the local agent either becomes resigned to the loss of his automobile business, or he takes on a cut rate company in an attempt to meet the competition, or the agent may join with others in adopting resolutions, expressing indignation.

The agent is likely to feel that most of this business is going to nonagency channels because of the price appeal. We doubt that that is anywhere near the whole answer. Some of the companies that have made great strides in automobile production are those that hug the rate pretty closely. They are not taking chances. Most of them do offer a rate differential, but there are only a few that are making strictly a competitive, cut-rate campaign.

The answer, it would seem, is the fact that these companies have a plan and work it. There is not much mystery to these plans. They consist of circularization, representing various degrees of intelligence in selection and intensive, methodical followups. That's about all.

The agent, we believe, is losing out,

or at least is not keeping up with the procession in the automobile insurance field because he is not willing to adopt a plan or work one. He sells automobile insurance to his acquaintances and he gets the automobile insurance, along with the other insurance of his regular clients. He takes automobile insurance in his stride, paying particular attention to fleet and concentrated coverages but he does not reach out for the insurance of those individual car owners who do not come naturally within soliciting range of the agent.

What is the result? Around each agent in the country might be drawn a circle, delineating his sphere of activity. In the center of the circle are the few large risks, which the agent regards as the backbone of his business, and his acquaintances. From there he radiates in a more or less limited way. These circles cut across each other and those are the competitive zones. But it seems to be true that these circles do not blanket the country. There are vast unstaked fields wherein reside persons who do not have the advantages of an insurance counsellor and don't have an insurance man for a neighbor. These are the individuals whose property and casualty insurance needs are limited and to whom, accordingly, the insurance message is not taken. Here is the field for the nonagency operator and that field seems to be worked almost exclusively by such operators.

Plans Suggested by the Companies Are Discarded

Home office production executives will say that one of the most discouraging aspects of their work is their inability to induce agents to embark upon a plan. All sorts of literature for direct mail solicitation and suggestions for use of other forms of advertising are available to the agent and yet special agents know that most of this material gets no further than the agent's storeroom. We don't pretend to be experts on direct mail, but it would seem to be fundamental that there be intensive followup within a few days after the mailing.

A local agent cannot embark on a system of using dodgers as ambitiously as do the direct writing companies. These companies have a wealth of experience. They know pretty accurately what the results from the mailing will be. They have analyzed their records carefully. They know, for instance, that

a campaign directed to owners of a certain class of car in a certain county, is going to be more productive than a campaign directed to owners of other kinds of cars, in that county. They have made mistakes and they have found the best way.

They have a corps of salaried employees, who are under control, and who are not responsible for the details of the business, such as the local agent is. These employees go in with a business like approach, perhaps with an organized sales presentation and they very often have a psychological advantage of being from another town—an expert being a man from another town.

Can't Enter Competition on an Ambitious Scale

The local agent cannot enter the competition on that scale. But we believe that he can do far more than he is doing now to reach those who do not fall within his circle. He can't build a "list" over night.

The direct writing companies have experimented with "lists." They have tried all kinds and they have gradually found which are the best and from the contacts they have made through the years, they have developed voluminous lists of their own.

The companies that use direct mail and follow up on a systematic basis seek to get expiration information at all cost.

We doubt the advisability of the ordinary agent setting out on an elaborate circularization and followup plan, but we do feel there is scarcely an agency in the country that cannot make itself more of a factor in the automobile business by resourceful approach to the individual car owner beyond his circle. The agent in undertaking circularization must feel his way. He cannot afford to take a chance on some ambitious scheme that may be productive and may not. He should proceed along sound lines. Very often the results of direct by mail campaigns are not what they seem.

Developing a Prospect List Is All Important

We think a sound method would be for the agent to map a program of developing a prospect list. Such a list should be divided between insured and uninsured motorists. A weekly goal should be established—the addition to the prospect list of a certain number of real prospects. That is the system that

works in life insurance and there seems to be no reason why it should not in automobile. The life insurance man is taught to qualify his prospects. He should be a man who has insurance needs; who has the capacity to buy and is a proper risk financially, morally, etc. Some such measuring rod would seem essential for the agent who is going out to build up a list of automobile insurance prospects. Not every man who has a car is a prospect. For racial, occupational or moral reasons certain motorists are disqualified.

As to insurance needs, the market is broader for the automobile insurance agent than for the life insurance agent. Every man who owns a car needs insurance. The capacity to buy must be taken into consideration and this will eliminate a certain number of prospects but not as many as before installment payment of premium facilities were established. The life insurance man is also taught to consider whether the man who is being weighed as a prospect is one to whom the agent, by reason of education, background, etc., can talk on an even basis. That is not so important in automobile insurance. The question of automobile insurance is far less intimate than that of life insurance and a difference in station need make no difference.

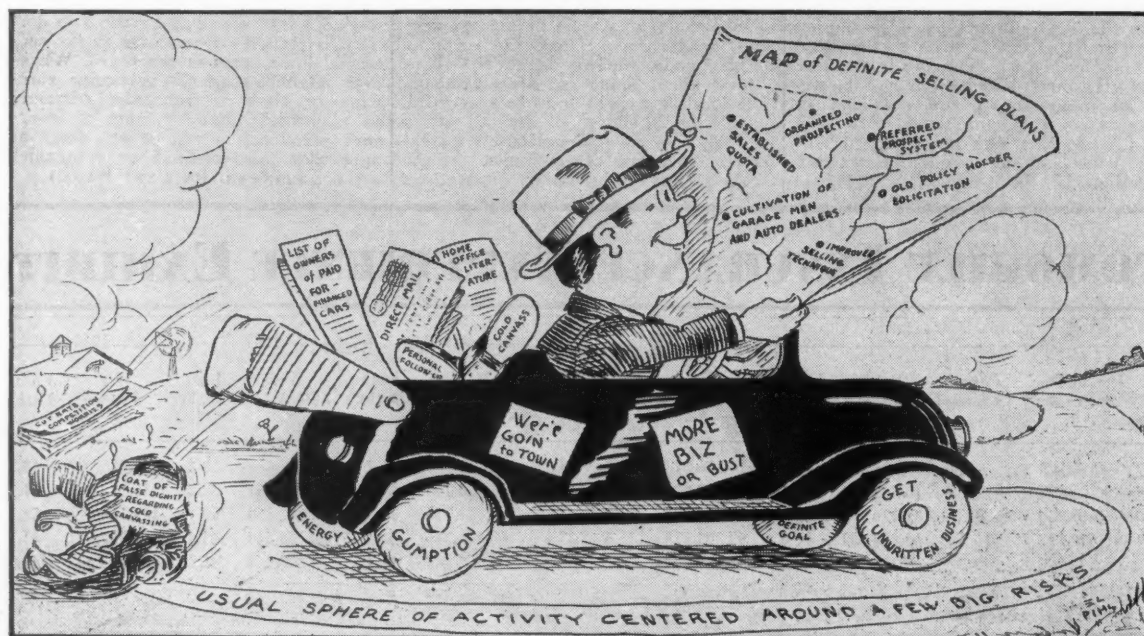
Agent Likes to Be Known and Introduced to Prospect

Probably the ordinary insurance agent is losing out on his automobile business, whereas the direct writer, etc., is making gain, largely because the agent, in his selling technique, generally wants to be introduced and known to the prospect. Much of the agent's time is spent in seeking to develop contacts that later may be capitalized upon. He proceeds by indirection. That is proper and probably for the most part essential in so far as the big risk is concerned.

However, such technique does not result in rounding up the individual policyholder whose property insurance needs do not exceed more than \$100 a year in premiums. Of course, in the indirect contact approach, a certain number of individual policyholders would be brought into the agent's circle, but he will not reach the rank and file by this scheme.

The agent may be a little too much impressed with his dignity. He may think that the working of a list of per-

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People now have more money with which to buy automobile insurance and this is no time for an agent to sit by and be demoralized by competition. This instructive article brings out the need for modern, intensified sales ideas and outlines methods by which an agent can actually get business. Loss of business is not due to price appeal only, as many agents like to think, but because the agent is reluctant about going out of his normal sphere to get the unwritten risks.

Auto Insurance — the Starting Point for Reconstruction of Agency

THE agent who desires to become a bigger factor in the business or the one who realizes that something must be done to recoup the losses of the last few years, has no better point of departure than the automobile line. As a matter of fact, there is probably no other branch of the business that offers such an opportunity for quick sales today. There is certainly no other line that is so susceptible to planned cultivation. There is simply no argument to the proposition that an agent who will really engage in planned work in connection with automobile, will get good results.

The biggest decision for an agent to make is that he will really go to work tomorrow. If he makes that decision and follows through he will pyramid his automobile account and incidentally will sweep into his grasp much other business, simply because he is moving.

Nonagency People Sell Because They See People

The nonagency companies are selling insurance because they are seeing the people. Their rate differentials are not a vital factor in their success. They could probably sell nearly as much insurance as they are now selling, at more than manual rates, because they are the only ones that are presenting the insurance proposition to a vast number of motorists. The agency organization of the country could overwhelm the nonagency forces in short order if only a portion of the agency operators would really solicit the business.

Think what the result would be if only a third of the agents in the country would set out every morning with the cards containing the names of five car owners in their pockets, determined to interview those prospects before the day was over.

The estimate has been printed again and again that fully 75 percent of the motorists of the country do not carry automobile liability insurance. But the mere presentation of that estimate apparently has not motivated the agency force. The percentage of uninsured seems to remain stationary. The lethargy of the agency forces is hard to understand. Perhaps it is that there has been too much emphasis on how to meet objections, how to handle competitive situations, and the policy technicalities, instead of giving a shot in the arm that will cause the agents to get out and ring doorbells, use the telephone, mail out dodgers and put themselves in the position of being required to overcome objections, handle competitive situations and explain technicalities.

Can't Be Sold by the Casual Methods of Day

Automobile insurance simply cannot be sold, in satisfactory volume, by the casual methods that characterize so many agency operations. All that is needed is a determination to go after the business in a way that first may seem distasteful to the ordinary agent. If a producer will arrive at that determination and get behind him the first feeling of revulsion, if that is what is holding him back, he will find that he is embarked on an exhilarating course. He will get the salesman's thrill of conquest and will find that he has adopted a system for steady and sure growth. This is the time for the agent to make up his mind. The circumstances are all in his favor. It is the right time of the year, people are better off and automobile sales are increasing.

In many lines of insurance considerably more than solicitation is embraced in selling. There are surveys, inspections, safety and fire prevention recommendations involved. The selling function becomes pretty much a matter of

disimpassioned negotiations. But the individual automobile risk is something else. A certain amount of this business will fall to the agent's lot, but old fashioned solicitation is the only answer, for the agent with gumption.

It seems futile to point out the potential market for automobile insurance unless the agents propose to do something about it. If all the motorists of the country carried automobile liability insurance, a pretty close estimate is that \$1,800,000,000 more premiums would be added, which is just about double the total premiums written by casualty companies of all kinds. That estimate is not just a shot in the dark. The total automobile liability premiums of all classes of companies are in the neighborhood of \$200,000,000. The average premium, country-wide, is somewhere near \$30. That would indicate that about 6,000,000 cars are insured for liability, whereas the total registration is about 25,000,000.

Uninsured Not Limited to Particular Localities

The agent may feel that these figures are misleading; that for some reason or other the uninsured people are those in some other town or that they are destitute and can't pay for insurance. It may be that a larger proportion of motorists are uninsured in the country dis-

tricts and that a larger proportion of the uninsured are in the lower income brackets, but the situation is only relative. There are plenty of people in comfortable circumstances who do not carry insurance and there are plenty in towns and cities that are uninsured. If an agent would undertake to make a real canvass he would be surprised at the type of person that does not carry liability insurance. There are thousands of automobile owners who have never really been solicited for insurance or at least have never been solicited by an insurance agent.

Whenever this subject is brought up in a group, the almost invariable response is that the only solicitation to which the various individuals in the group have been treated in the past has been on the part of automobile clubs or nonagency companies.

As a matter of fact, a good many companies are resigned to the notion that an agent in his automobile production will not reach out much beyond his natural contacts. One automobile superintendent remarked to the writer, for instance, that his underwriting consisted chiefly in watching the caliber of agents, knowing that an agent will sell the automobile insurance to his acquaintances and his established clients and that they are likely to be of about the same class

as the agent himself. That observation indicated his thoroughly inground knowledge and belief that the agent is not a solicitor of automobile insurance.

One important production man made the observation that the entire insurance fraternity is denying itself a large amount of perfectly obtainable business on the assumption that a large proportion of the population does not have the capacity to buy insurance. In other words, the insurance people are blocking themselves and are making no effort to discover whether they may be wrong.

In 1933—a depression year—the automobile owners in the United States spent \$3,300,000,000 to own and operate their cars, aside from insurance. Of that amount about \$800,000,000 went for new cars and the rest for gas, gas tax, replacements, anti-freeze, etc. If they can spend that money, they can and will buy and pay for insurance if the proposition is presented to them. They will not buy it if the agent scrupulously avoids soliciting them.

Some of the automobile clubs, which stake out cities for solicitation, take all classes of population in their stride and sell their insurance to high and low.

As a matter of fact, one of the automobile clubs drills its solicitors in the use of a particular story for the poorer class of automobile owner.

Touching Story of Uninsured Is Related

The story goes something like this: A laborer, driving home from work with a load of other men employed on the job, who were sharing the expense of operating the car, ran into another automobile, driven by a man who was accompanied by his wife. The man was killed and the woman was permanently disabled as a result of the accident. It so happened that the home of these people was a place just back of the quarters occupied by the workman who caused the accident. The man who was killed and his disabled wife had half a dozen children. The man who caused the accident was uninsured, but he undertook to atone as much as he could by providing for the family. Later he became unemployed and was helpless and was unable to give further aid. He had to live in daily contact with the misery that he had caused.

This story is supposed to be authentic. It indicates that the companies that are making a systematic solicitation of automobile insurance are not avoiding the lower income classes and are devising sales technique to reach that class of the population.

As a matter of fact, the poorer, laboring classes, are likely to be more insurance conscious than their more solvent neighbors. They are being called upon regularly by industrial life insurance agents and they are accustomed to lay aside a certain amount each week for insurance.

Shouldn't Automatically Dismiss Man in Overalls

We don't necessarily mean to imply by this that the agent who decides to solicit automobile insurance systematically should start in the neighborhood on the wrong side of the tracks, but we do feel that the agent is making a mistake if he automatically dismisses the man in overalls as a prospect.

If the agent decides to embark upon a campaign, there is plenty of potent material that he can use in his actual solicitation and in overcoming objections. There is no dearth of such material in the business. The companies are prepared to furnish the agent with all sorts of ammunition, if he will go out with his gun.

There are perhaps three attitudes that

Complete Insurance Answer to Price Competition



The agent of standard rate companies these days is not lacking in competitive material, with which to meet the price competition in the automobile field.

This is the year when the comprehensive policy promises to come into its own. An agent might very well decide to tie up his program of automobile insurance solicitation with the idea of comprehensive coverage.

The idea of comprehensive coverage has been percolating for some time but it is likely really to boil this year. The fire companies have tread very lightly in developing comprehensive coverage for dwellings and mercantile establishments. For one thing, during the worst of the depression, they were afraid to extend their riot and civil commotion liability. However, now there is considerable sentiment in favor of coming out with a policy that will protect a man against any physical damage to his property. Some of the fire companies that have casualty running mates are studying the possibility of coming out with a joint household policy that will provide protection against about every conceivable hazard.

Other Influences Spur the Comprehensive Policy

The policy protecting the interests of the Home Owners Loan Corporation provides comprehensive coverage. J. J. Magrath of the New York insurance department has had considerable influence in advocating modernized coverage.

The comprehensive automobile policy put out by the fire companies has been liberalized and Michigan is being used as a testing ground for several new comprehensive features.

The non-tariff companies have not been emphasizing complete coverage. A good many of them, as a matter of fact, have been restricting the coverage so as

to get the cost to the very minimum. There is the operator's policy, that covers only the named assured. A few companies are selling automobile public liability in \$1,000 limits. Others provide that the insurer is liable only when the driver is "legally operating the car." That means that any one while driving under the influence of liquor is not covered. Others eliminate guest liability. Others make the limit of the policies applicable to the interest on judgments as well as the face of the judgment itself.

High Legal Driving Age Is Found Occasionally

There are others that have a high legal driving age, some as high as 21. Most of these are honest restrictions. The policies are sold as restricted policies at a lower cost. Of course there are jokers in the policies of some snide companies but we are not thinking of such restrictions.

The agents today who will start preaching complete coverage, we believe, will be anticipating what will probably be a universal tendency sooner or later. After all, an automobile is subject to loss and damage from all sorts of causes and it is just as expensive to replace a car that may break through the ice on the lake in the winter time and sink to the bottom as it is to replace a car that is stolen. It costs just as much to repair the damage to a car by a falling tree as by fire.

A man, driving an automobile, is likely to create liability under all sorts of circumstances. He should be taught to want complete protection in the operation of his car against damage and loss to the automobile and against third party liability. He can't get this protection by picking and choosing the hazards against which he will insure. He must be taught to want complete security, so that he may know whatever may happen he will be relieved of worry and trial.

The agent of standard companies is

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"Careful" Drivers Don't Fare Well in Courts on Technicalities

By John F. Wohlgenuth

CLAIMS for damages are the one reason for automobile liability and property damage insurance. One-fourth of the owners were scared enough of this danger last year to pay \$285,000,000 for protection and the insurance companies lost money. The figures leave damage suit lawyering a minor industry, but plainly it is thriving.

The other three-fourths of the owners are uninsured. How many of them could be sold is one for the agents to answer in detail, but there is a general answer—plenty.

Strangely, of all the damage suits filed, most of them are against drivers who were not to blame—to hear them tell it. A lot of the defendants go right on up to the supreme courts, arguing they were not to blame. They even continue to grumble when they dig down in the old sock to pay off the judgment.

With so many drivers who are forced to pay damages regarding themselves as innocent, it is not surprising that a great many others are sure they are too careful to get caught in an accident for which they are to blame. They drive carefully instead of buying insurance. They obey all traffic laws, rules, ordinances and regulations. That is, those that get by do. Those that are sued just happen to slip and get caught at it. The highest recorded cost of such a slip by a private driver, causing injury to one person, is \$80,000. The total of judgments in one accident has gone higher.

Drivers Get Wrong Notions of Laws

The driver who claims to drive carefully and obey all traffic rules is a tragic comedian. His tragic fallacy has to do with a great share of the 36,000 annual automobile deaths and the 1,000,000 injuries. Investigators declare that 85 percent of all the automobile deaths and injuries are due to the human factors in the accidents.

One great reason for the fallacy is that drivers get their notions of the traffic laws from the traffic courts. If the traffic courts enforced the laws the way the civil courts do in damage suits, the jails would at first overflow, but a multitude of drivers would soon learn what they are supposed to do on the road. Among those educated would be those "careful" drivers who are so careful they can get along without insurance.

It would stagger the most thoughtful of drivers to know how many times he violates the law every time he takes his car on the road. The trouble with all of them is that they think everything is lawful that they don't get arrested for. They learn real law only when they are sued for damages, and probably learn only one minor point that sets them back a few dollars or a few thousands.

Trivial Driving Faults Cause Liability

Even then some won't believe it, but will suspect that the plaintiff had a friend on the jury. It is only those who watch the heavy stream of supreme court decisions who can appreciate what trivial faults in driving can bind the driver in damages.

How many drivers even know their local ordinances on slowing down at intersections? Yet the failure to slow down to 10 miles an hour at some obscure corner has turned the scale against a driver who thought he had the right of way. Forgotten ordinances limiting speed are constantly dug up by opposing counsel and sustained by

supreme courts against drivers who by all other rules were in the right.

It is almost safe to say that no driver ever took his car out for 10 minutes without violating some rule that would have made him liable in damages if an accident had happened. What would a "careful" driver say to that? He would pooh-pooh the statement as it applied to him and continue failing to signal stops and turns, failing to slow down at minor street crossings, to come to a dead stop at stop streets, or to warn the car ahead when intending to pass.

Drivers get the idea they are careful because they do not have accidents.

They watch traffic and drive well and go for years without a thought of rules. Yet how many would be called careful by other drivers? How many others would they rate as careful?

Here is a case where a driver thought he was careful and stuck to it till the supreme court told him he was wrong. He overtook a boy on a bicycle on a 20-foot highway. The boy evidently saw or heard him and pulled over to the extreme left to let him pass. With the way thus cleared the driver proceeded on his own side of the road. Suddenly the boy swerved back to the right hand side of the road. There was a collision

between the bicycle and the automobile and the boy was hurt.

The law prescribes that a driver when overtaking another vehicle must pass to the left and the supreme court ruled against the driver in this case. How many drivers are careful enough in such cases to slow down and honk till the boy pulls over where he belongs.

The forgotten rules however are not the only danger to the "careful" driver. It is probable that the supreme courts have bowled over more defendants who thought they had the right of way than defendants who knew they didn't. Apparently there is no more tricky rule on the books than the right hand right of way law, unless it is the stop street or through street rule. An incredible number of drivers seem to think that if they have the right of way they can proceed on their course and the other fellow must take care of himself. The courts are constantly knocking this out, to the surprise and cost of drivers who were proceeding in perfectly good faith.

The one supreme rule is that a driver must avoid an accident if he can, even if this means surrendering his rights. The driver with the right of way must be just as alert as the others. The next big point, and the one that is most often forgotten, is that the right of way law does not repeal or even modify any other traffic rule or law. It is mainly on right of way cases that forgotten ordinances are dug up.

The courts hold that the driver who does not have the right of way is entitled to expect that the driver with the right of way will obey all rules. Thus if there is a rule requiring a driver to slow down to eight miles an hour at an intersection, that rule will be enforced on a boulevard or in any other situation. If the driver that did not have the right of way could have accomplished his crossing or other maneuver safely, if the forgotten ordinance had been obeyed, he will be sustained in his rights by the damage suit courts, no matter what the traffic courts would say about it.

Another oversight of the "careful" driver is the law of proportion or of averages. It would be ridiculous even to estimate how many million traffic violations there are for each accident. The point of this is that the driver who thinks himself careful is not any different from the other careful drivers who killed 36,000 people and injured 1,000,000 in 1934. A single case may be taken to illustrate what is meant. A certain driver has driven about 90,000 miles. In that driving he has probably passed 90,000 cars that were too slow for him. He has never had an accident in passing and only three or four narrow escapes. He occasionally blows his horn in passing, but more often not. If one of the narrow escapes becomes an accident instead of an escape he will be technically liable if he did not blow his horn, and it will be awfully hard for his lawyer to get around that fact.

Change of Attitude Is Trap for Motorists

The same driver has never had an accident at an intersection, yet he seldom comes to a full stop at a stop street. He slows down and goes into second and then rolls across at what he thinks is a good opportunity. If he miscalculates some day the fact that he failed to come to a complete stop will settle the damages against him.

Another trap for the careful driver is the change in attitude of the courts. Formerly more attention was paid to weighing the conduct of the parties in-

(CONTINUED ON PAGE 23)

What If They Don't Pay?



"I have nothing to lose—you can't get blood out of a turnip." You might not be able to get blood out of a turnip, but you can squeeze it mighty hard attempting to, and that is what happens in case of judgment for automobile accident. In automobile accident suits it is customary to charge willful and malicious operation of the motor vehicle. In such cases the plaintiff is able to resort to the imprisonment law in several states and get a writ to imprison the defendant for period of time or until he pays. The injured party usually has to pay for the defendant's board. In Cook County, Ill., for example, the defendant can be jailed up to six months and the board charge is \$3.50 a week. Most lawyers who try this method of collecting judgments usually find that the imprisoned defendant usually will borrow money from his relatives or friends in order to get out of jail, especially if he has a good job. The imprisonment law is usually resorted to when the defendant has "judgment proofed" himself by carrying his property in his wife's name, etc. In Illinois the law has been upheld by the state supreme court and United States Supreme Court recently refused to review the case. The jail threat is an effective argument for the man of modest means carrying automobile liability insurance.

REINSURANCE

COMPARE A 1915 CAR
WITH A 1935 "JOB" AND
THE PROGRESS OF 20 YEARS
IS STRIKINGLY APPARENT

AUTOMOBILE INSURANCE
AND REINSURANCE
HAVE MADE THE SAME
LONG STRIDES

SERVICE DEPENDS UPON THE
DIRECT UNDERWRITER
CAPACITY DEPENDS UPON
REINSURANCE

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President

Joint Schedule Advantage

Plan of Combining Interests of Employer and Employee Is Good For the Agent and Both Assured By R. E. RICHMAN

The insurance agent today who would develop and hold his automobile business finds it necessary to recognize the tendency in the business toward handling more risks and more perils in single contracts. Two manifestations of this tendency are considered in this article. One is the tendency to write class 1 non-ownership coverage under a joint schedule plan which takes in both employer and employee. The other is the writing of the new comprehensive material damage policy to take care of perils formerly insured against by several separate endorsements. This is also sometimes called the miscellaneous or supplementary coverage provision.

When selling the joint schedule non-ownership plan, the agent approaches the employer, pointing out that not only is it desirable that his employees carry public liability insurance recognizing his interest but also that this insurance be carried in an insurance company satisfactory to him. The agent suggests that the employer require all em-

ployees, using their machines more or less regularly while performing duties for the employer, to insure in a single company, the employer thus to know that he is named in the policy, that the employee is certainly insured and in a company satisfactory to the employer. This is the first advantage of the joint schedule plan for the employer.

Single Expiration Date Considerable Advantage

Next the agent should point out that this plan will provide for a single expiration date on both the employer's excess non-ownership coverage and on the contracts or certificates covering the individual class 1 employees. Thus once a year the employer may check his list carefully and be assured that his interests are taken care of. Much clerical work is avoided and the danger of lapsing some of the individual insurance is averted. There is then only the necessity of watching for changes in the employee list to take care of new

employees and those who may leave the employ of the insuring firm.

A third advantage to the insured arises in handling the insurance coverage when there is a change in an employee list. Thus the employer may return certificates of individual coverage for cancellation and obtain the pro-rata credit in the premium or he may add new individual coverage at pro-rata cost.

Saving to Employee May Amount to 30 Percent

Explain to the employer that he may pass on to his employees a saving amounting approximately to 30 percent in the cost of their public liability insurance under the joint schedule plan. In the Hartford territory for instance the public liability cost for five and ten limits is \$42 and for \$5,000 property damage is \$13 making a total of \$55. The employer, for public liability non-ownership protection for himself, would pay under the excess coverage plan for each of his class 1 employees, \$100,000 limit, a total of \$22.52. Suppose this \$22.52 is applied to the individual employee's purchase of \$100,000 limits. The cost to the individual for these limits is \$72.76; \$72.76 less \$22.52 equals \$50.24. The individual employee has now increased his limits to \$100,000 at a cost of \$4.76 less than he would

pay for the five-ten limits. The policy is written in the name of both employer and employee and the interests of both are fully protected. Or a master policy may be issued and employees be covered by individual certificates.

Just how the saving made under this purchase plan is to be divided or handled as between employer and employee may be left to the employer to decide. Advantages to the agent are obvious. He has a plan for meeting low cost competition. He may many times obtain new risks and hold old ones by explaining this method of saving costs. The large premium is attractive. The cost of handling in his own office is reduced. He gets an entree to the employees, offering them insurance at a lower cost thus opening the way to additional business from them.

Comprehensive Material Damage Clause Value

The comprehensive material damage clause makes it possible for the agent to cover in one clause what formerly required several separate endorsements. This clause may be sold at a cost in most territories ranging from \$1.40 to about \$5 depending upon the territory and the car. Thus the premium is sufficient to warrant at least some sales effort. Some agents have instructed their companies to include this clause in all policies to be renewed, convinced that they will have no difficulty in making the sale if the assured raises any question about the slightly increased cost. The cost of this clause is usually measured by the tornado rate and is a multiple of that rate. It may now be written in all states except Virginia and Texas. Some states where formerly this could not be written have recently permitted its use. Among these is West Virginia.

The clause itself, in that part not pertaining to collision or upset reads, "Any loss of or damage to the automobile and the equipment usually attached thereto, subject, however, to the exclusions stated below and except that this company shall not be liable for loss caused by collision with any other object or upset." Collision or upset may be covered also. Exclusions are principally loss of use, depreciation, personal effects, wear and tear, normal breakdowns and other usual restrictions. The clause, among other uses, provides indemnity for loss due to tornado, hail, falling aircraft, damage resulting from earthquake, explosion, riot, insurrection or civil commotion, and malicious damage.

Examples of Losses That Would Be Covered

A dog chews up the upholstery. A car driven on the ice of a lake breaks through. The car of a textile mill executive is damaged by strikers. The car is driven over a projecting rock and the base of the motor is cracked. The car is scraped with a sharp rock by halloween vandals. Car is damaged by flood. The fly wheel or the motor explodes. The weather cracks the glass. These are losses covered under the new comprehensive material damage policy.

The agent is not called upon to figure out a very small premium for several individual perils. He gets one figure covering all the perils. The statistical departments of the companies are not called upon to allocate and consider a lot of 15 cent endorsements, piling up expense.

The plans above are steps in the direction toward which automobile insurance is traveling toward the goal of two kinds of automobile policies, the complete third party coverage and the complete property damage coverage.

What Automobile Injuries Cost

A 17 year old Los Angeles girl with broken leg awarded \$2,500 by jury.
A Los Angeles woman with head and chest injuries won \$10,000.
A Michigan 19 year old girl severely injured with permanent paralysis of lower limbs, awarded \$10,000.

NORTHERN INSURANCE COMPANY of NEW YORK Automobile Insurance

The duty of an Agent or Broker is to secure for his Assureds the best obtainable form of contract, in solvent companies, at approved and adequate rates.

The Northern's Automobile Policy gives a broad and unique coverage with corresponding sales advantages, which in our opinion is superior to the so-called "comprehensive" form.

We invite inquiries and an opportunity to explain the special features of our policy.

State Representatives

NEW YORK, VIRGINIA, MARYLAND, DISTRICT OF COLUMBIA—

John F. Leikert, Jr.
83 Maiden Lane, New York City

MASSACHUSETTS & RHODE ISLAND—

Wm. B. McCoy, Jr.

40 Broad Street, Boston

CONNECTICUT—

Clarence W. Crook

American Bank Bldg., New Haven

PENNSYLVANIA (WEST)—

William M. Crandall

5 South Street, Union City

PENNSYLVANIA (EAST)—

John W. Higgins

115 East Norwegian St., Pottsville

OHIO (NORTH)—

C. E. DuCharme

737 Guardian Bldg., Cleveland

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Erik Lindskog

3320 Portland Ave., Minneapolis

IOWA-NEBRASKA—

Arch J. Doerfler

P. O. Box 633, Des Moines

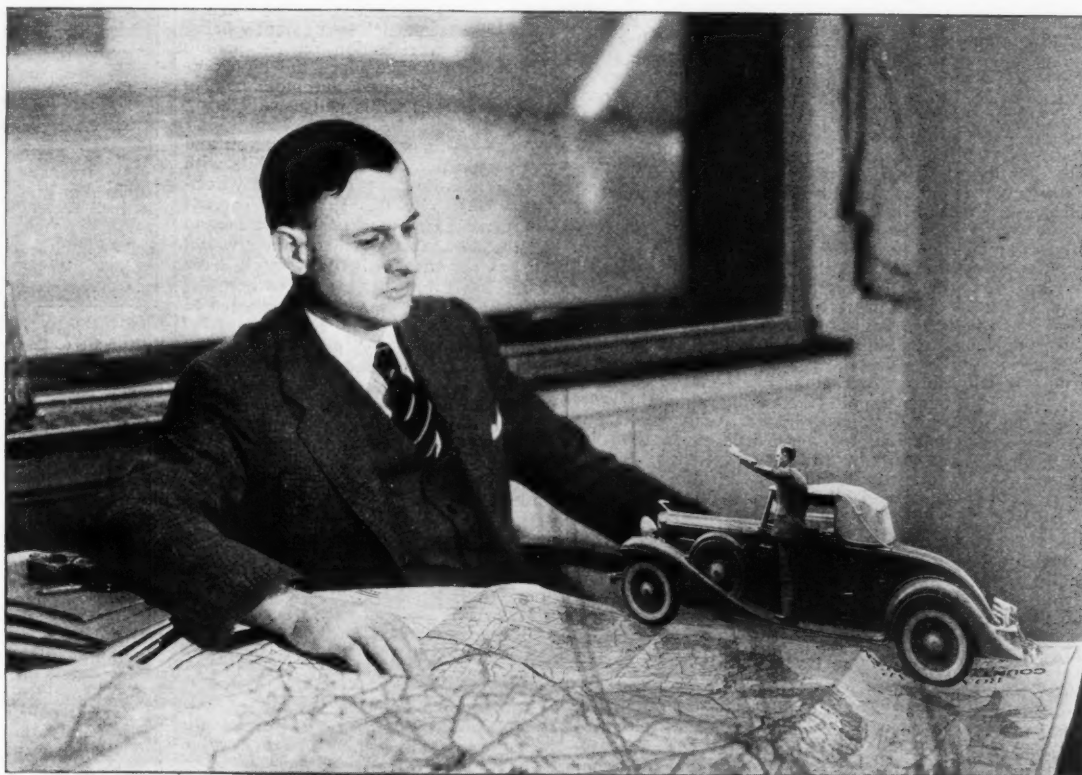
WISCONSIN—

Arthur L. Telin

P. O. Box 1076, Milwaukee

HOME OFFICE

83 Maiden Lane, New York, N. Y.



WHEN THE MOTORIST'S
 "CONSCIENCE" TELLS HIM HE NEEDS
 COMPLETE INSURANCE PROTECTION
 BE THERE AND SERVE HIM WITH A
GREAT AMERICAN
 POLICY COVERING
 FIRE • THEFT • PUBLIC LIABILITY
 PROPERTY DAMAGE • COLLISION

Prompt Claim Service Everywhere

GREAT AMERICAN INSURANCE CO.
 AMERICAN ALLIANCE INSURANCE CO.
 DETROIT FIRE & MARINE INSURANCE CO.
 COUNTY FIRE INSURANCE CO.
 OF PHILADELPHIA
 NORTH CAROLINA HOME INSURANCE CO.

Great American
 Group of
Insurance Companies
New York

GREAT AMERICAN INDEMNITY CO.
 ROCHESTER AMERICAN INSURANCE CO.
 MASSACHUSETTS FIRE & MARINE
 INSURANCE CO.
 AMERICAN NATIONAL FIRE INSURANCE CO.

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO
 AGENTS EVERYWHERE

Why Not Offer the Extras?

Business Remains Unsold Simply Because Agent Neglects to Exhibit His Stock of Goods

By J. C. O'CONNOR

In selling automobile insurance, it is surprising that so few insurance men have profited by the tactics of some of the best salesmen in the world—the automobile dealers.

How many buyers of automobiles are not offered a variety of "extras" when they purchase cars—spotlights, motometers, radios, extra upholstery, extra spare tires, special paint jobs, etc.? Hardly any. And, what is perhaps more important, how many drive away with only an unadorned standard model? Very few.

These "extras" do not cost much more—as the salesman glibly assures his prospects—but a little more from each customer builds up the salesman's commissions, and no automobile salesman is at all neglectful of that aspect of his business. Result—every purchaser is solicited for extra equipment and few fail to buy some.

Need Additional Cover More Than Extra Frill

With this example, and with an equally imposing—and useful—line of additional coverages at his disposal, it is a mystery why the average agent or broker considers himself fortunate when he secures an order for bodily injury and property damage liability insurance with standard limits (or at most \$10/20,000) and a promise of fire and theft when the finance company's interest ceases. Not only do most insurance men need the extra commissions as much as the automobile salesman, but their customers may need the additional protection far more than the "frill" which they buy with the car. After all, the most that special upholstery can do is to give your insured's family a slight feeling of

superiority over the neighbors, whereas drive other cars insurance can protect your client from bankruptcy. But in spite of this and countless other examples, the fact remains that the automobile salesman gets the extra commissions and the insurance man does not.

The primary requirement for selling additional coverages is to let your client know that they exist. The public knows of such forms of insurance as fire, theft, public liability, property damage and collision (though insured usually think the latter is too expensive to consider) but seldom has a layman the faintest idea that his theft policy can be extended to cover loss of use, his liability coverage to protect him while he drives other cars, collision insurance written on a deductible basis to protect him against large losses at a price well within his means, or that he can secure a comprehensive policy, covering almost all direct damage to his car, with or without collision, for very little more than he pays for his ordinary coverages.

If the agent merely mentions that these and other supplementary forms of protection are available when he sells a policy, he cannot help but show some increase in premiums. If he takes the trouble to learn about them and explain them properly, his increase will be greater.

Should Emphasize Drive Other Car Endorsement

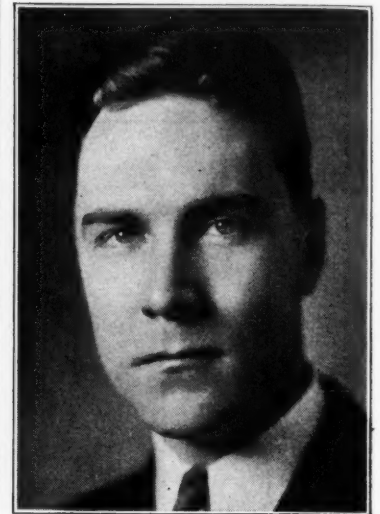
The great advantage of offering additional coverages to an insured (and here, too, is a leaf from the book of the automobile salesman) is that the basic selling job is completed and any additional premium is a clear gain to the agent. The amount of extra selling effort in

adding say drive other cars insurance to a liability policy is nil as compared to the work of getting and selling another prospect, yet it takes only a few extra sales to equal another premium.

We have mentioned drive other cars insurance several times, because it is one of the most important additional coverages, can be sold easily and frequently works up a reasonably large additional premium. Further, the sale of this coverage affords an agent a chance to capitalize on a fact which is constantly being cast up as a reflection on the selling ability of insurance men—the high percentage of uninsured automobiles. An approach such as this will usually bring results:

"Mr. —, this policy covers you and any person driving this automobile with your permission, but it covers only accidents caused by this particular car. If you drive any other person's car—and we all do at times—this policy would not protect you at all. You would have to rely on the insurance the owner carries. At present less than a quarter of the automobiles in this country are insured against liability and many of those are covered in unsound companies and others under policies which do not protect other people driving the car. Not all insurance policies give as liberal protection as the one I am furnishing you. And naturally you or I or anyone else cannot stop to investigate a person's insurance before we drive his car. For only \$.... extra, I can extend this policy to protect you while you are driving any other automobile of the private passenger type. I can include members of your family for \$.... more. Remember a lawsuit is just as bad whether it is brought against you for operating this car or any other car. Why not play safe and let me add this extra insurance?"

For several years a few—too few—agents have made a practice of adding windstorm, hail, explosion and water damage to all fire and theft policies. Rare indeed was the insured who was not glad to accept this at an extra pre-



J. C. O'CONNOR

Editor Fire, Casualty & Surety Bulletins

mum of only ten cents per \$100 of coverage. Now, for an additional charge of 25 cents per \$100 in western territories or 20 cents in eastern states, the policy can be converted into an "all risks" contract, protecting the insured against loss from any cause, except for a few definite exclusions. Collision insurance may be included or not, as the insured wishes, and if included it may be on any standard basis.

Here is another case where the barest mention of the coverage can hardly fail to effect a slight increase in premium—and the little increases mount up. Suppose an agent says:

"Mr. —, up to now we have had to write insurance only against fire and theft (and collision, if the insured buys it) and only those perils were covered. But the insurance companies have just taken a wonderful step forward and now, for only \$.... more, I can give you a

(CONTINUED ON PAGE 35)

GENERAL ACCIDENT UNITED STATES BRANCH

Financial Statement, December 31, 1934

ADMITTED ASSETS

*United States Government Bonds....	\$ 2,508,050.01
*State, County and Municipal Bonds..	2,612,862.10
*All Other Bonds and Stocks.....	15,479,674.60
First Mortgages and Collateral Loan..	181,833.72
Real Estate	951,076.01
Cash on Hand and in Banks.....	1,128,194.70
Uncollected Premiums not over ninety days and Sundry Balances.....	3,416,032.00
Accrued Interest	212,998.91

\$26,490,722.05

LIABILITIES

Unearned Premiums	\$ 7,401,499.34
Reserve for Losses.....	9,072,688.00
Reserve for Taxes and all other Liabilities	1,577,365.26
General Contingency Reserve.....	700,000.00
Additional Voluntary Reserve.....	690,752.00
Deposit Capital	\$ 550,000.00
Surplus Over Deposit Capital and all Liabilities	6,498,417.45
Surplus to Policyholders.....	7,048,417.45
	\$26,490,722.05

*Valuation on National Convention of Insurance Commissioners' Basis. On the basis of December 31, 1934, Market Quotations for all Bonds and Stocks owned, this Corporation's total Admitted Assets would be increased to \$26,607,767.49 and Surplus to Policyholders to \$7,165,462.89.

Securities carried at \$1,100,763.00 in the above statement are deposited for purposes required by law.

GENERAL ACCIDENT FIRE AND LIFE

Assurance Co poration, Ltd.

General Building, Fourth and Walnut Streets
PHILADELPHIA

JAMES F. MITCHELL, United States Manager

FREDERICK RICHARDSON, Managing Director

ARE YOU SELLING 1905 MODEL INSURANCE?

The Comprehensive and Combined Automobile Policies written by the America Fore companies provide modern insurance protection for modern cars.



PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Handling 'Careful Driver' and the Cost Objector

Instructors at the Aetna Casualty and Surety School have developed an answer to two of the principal objections encountered by salesmen of automobile insurance. These two objections are, "I drive carefully," and, "The price is too high. The coverage isn't worth the cost. I will take a chance."

In answer to the objection of the prospect that he is a careful driver, the agent asks, "How long have you been driving?" As the automobile is a comparatively recent vehicle, few drivers have driven as long as 20 years. The agent then emphasizes that the public liability rates are based on an expectancy of one liability claim in each 20 years and one property damage claim every ten years.

"Suppose," says the agent to the prospect, "you have driven for 12 years without a public liability claim. Then you are still a long way from proving yourself an average risk and there is nothing about your record to set you apart as an unusually careful driver. Bear in mind, too, that your wife and son and daughter and possibly others are driving your car. Under the law of averages then, we must reach the conclusion that there is not yet sufficient evidence to show that the handling of your car would classify as average without speaking of anything exceptional."

Tells in Detail What Makes Up the Price Tag

"As to the price objection, Mr. Jones, let me outline just what goes in to make up our price tag. The price tag on this coverage is quite reasonable when you consider that we are going to protect you no matter who drives your car, against all liability, and wherever that car is being used. Anyone may be driving your car anywhere in the United States and Canada and you are protected."

"Not long ago one of my friends found out how valuable this protection was though he did not have it. His son at college while driving the family car was involved in a serious accident. The bill on this accident would not only pay an insurance premium for many years but would buy several automobiles."

"This price tag includes the cost of investigation of any accident which may occur to you. If you have an accident in a strange city without this protection, you will be spending days to hunt and interview witnesses and to select an attorney. You are likely to find the witnesses hostile because you are a stranger. You will almost certainly find that the attorney you want will immediately want assurance of a fee which will be heartbreaking. This price tag includes relief from all that. Local representatives of our company will be there at once to aid you, conduct full investigation, select the attorney and save you much time traveling back and forth to make court appearances."

"The first thing the police in the strange city will do will be to attach

your car and it will be up to you to provide collateral for release of attachment before you can proceed on your journey. This price tag will provide for you immediately in a case of this kind, a release of attachment and you proceed, keeping your appointments or continuing on your vacation journey."

"Suppose the case is heard in court. You are not satisfied with the decision. You decide to appeal. At once the court tells you to put up an appeal bond. Again you may have to mortgage your property to guarantee against loss those who provide that bond. The price tag on our policy includes the furnishing of an appeal bond and all costs for the bond itself."

Meeting the Financial Responsibility Requirements

"You may not seriously injure anyone in your accident but you may damage another's car which may be laid up for two or three weeks. If his business requires the use of a car, you will pay not only the damage to the car but the bill for loss of use of that car which may amount to an appreciable sum. The price tag on our goods takes care of this bill for loss of use."

"Here is a typical case involving a point which is nearly always overlooked. An uninsured driver found facing him a judgment of \$10,000. The attorney's fee was \$1,800. By scraping together all that he had and partially mortgaging his future, he was able to get this money together. But before final decision was reached in the courts four years had elapsed and the judge

ruled that the \$10,000 carried interest at 6 percent for those four years. This made an additional \$2,400. Our price tag would have included the whole interest charge."

"And finally, as you know, many of the states now have financial responsibility laws. Our price tag will enable you to meet at once the requirements of these laws and you will not lose the right to drive, a calamity to any man today and especially if your business requires use of an automobile."

Get local examples. Paint vividly all the difficulties the prospect will want to avoid and then close with the positive appeal, "I have tried to describe to you clearly what I have to deliver to you

in this contract because I want you to drive your car with confidence and security. Remember that I have a responsibility to you as an insurance man, a responsibility which has not been discharged until you know exactly what relief this insurance protection can give you. Before you drive your car home tonight, I want to feel that my responsibility has been met as it will be when I know you have this protection."

Explain carefully, dramatically and in detail what the price tag includes and there will be more "noes" turned to "yeses." When you deliver policies, insist on giving a clear outline of what has been purchased and there will be fewer lapses.

Building Production Around Contacts with Garages

SOME agents very successfully build their production of new automobile business around their contact with garages and automobile dealers. Almost daily contact is maintained with the garages and the dealers.

Once the desired relationship is established, there is an almost constant flow of information for the agent, as to purchasers of new cars and as to those whose policies are about to be released from the grip of the finance company.

The job is to win the dealer and garage owner. Of course, the agent is always in a position to command one source of information when he buys his own car or when he patronizes a garage. Reciprocity is practiced here.

But a good many agents have been able to go farther than that to obtain a good list of tipsters through systematic effort.

Some agents, for instance, start by

canvassing all the garage owners and dealers while undertaking to sell them garage keepers legal liability insurance. This insurance is not generally carried and, as a matter of fact, it is difficult to sell, but it gives the agent an opportunity to talk insurance to the garage owner or dealer. This is a good coverage to solicit, while accompanied by a company representative. The agent can say that he has something new to present, the value of which has been impressed upon him by the company representative, and the agent can then proceed to give the arguments for the legal liability insurance, reinforced by comments from the company man.

Thus, the conversation is opened on an insurance note. If the garage owner or dealer does not respond to the solicitation of this particular type of insurance, the conversation can then be steered to the other insurance requirements of the prospect. Even though a sale is not made or the way is not paved for subsequent sale of insurance to the garage owner himself, yet a contact has been established with an important source of information. The garage owner or dealer is easy to approach, since the agent, in the mind of the dealer, is a prospective buyer of an automobile, equally as much as a salesman trying to make a deal. Both see each other as a prospect. Therefore, the garage owner or dealer is likely to try to avoid offending the agent and if he is not in a position to place his own insurance with the agent, he may be willing to turn over to the agent, leads on purchasers of new cars.

Make Rounds of the Garages Each Morning

Some agents who have developed an easy relationship among the garage men and automobile dealers in their cities make it a practice to stop at these places each morning on their way to the office, getting the names of automobile purchasers.

Incidentally, the agent should not be too cynical about the matter of garage owners legal liability insurance. It is worthwhile to make a real attempt to sell it, as well as using it as merely a method of opening the conversation.

The garage owner or dealer is liable for cars of others left in their possession. Many garages post disclaimers of liability, but these offer no protection if negligence can be proved. The garage owner is obligated to exercise full care and diligence in his relationship of bailee for hire on cars left for repair or storage. In other words, he is legally liable to the owner for the return of the automobile in the same condition in which it entered the shop. Very often, loss or damage to a car is due to negligence. For instance, it is a common occurrence to leave the garage doors open and for the attendant to be absent for a few minutes. This gives an opportunity for someone to slip in and drive off with a car. Losses due to fire started by careless or forbidden smoking prac-

(CONTINUED ON PAGE 14)



SELL HIGH LIMITS

In this day of large automobile damage suit verdicts it is foolish to consider an automobile owner adequately protected with a \$5/\$10,000 P. L. policy. The extra premium for higher limits is small and the agent is doing his policyholder a real service by insisting that he take the higher limits. One leading company estimates that 50 percent of its automobile liability business is on the \$5/\$10,000 form, 35 percent on \$10/\$20,000 and the balance on higher limits.

THE SATURDAY EVENING POST

March 22, 1935

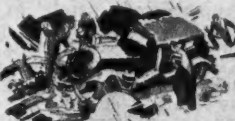
This is the man who drove with skill, But skidded and slued on a slippery hill.



This is the man who drove with skill,
But skidded and slued on a slippery hill.



This is the skid—"Look out there!" Crash!
The whole thing happened in a flash.
For although the man drove with care and skill,
He skidded and slued on the slippery hill.



This is the car he struck and smashed.
Its motor is wrecked, its body gashed.
So new and shiny a minute before,
And now just a pile of junk—no more.
For skids are bad on a slippery hill.
And they happen even to drivers of skill.



This is the prompt answer, "See?"
It's a suit for personal injury.
"Cause you let that guy and hunt him bad.
It'll probably take all you ever had."
(For collision damages often mount
into a frightfully huge amount.
And sometimes even drivers of skill
Are called on to pay a staggering bill.)



These are the recter good men and true,
The stern, implacable jury who
Heard the evidence, all of it,
And their verdict went to the man who was hit.
He had been hurt, his car had been wrecked.
Didn't he have a right to collect?
So they voted against the man of skill
Whose car had a skid on the slippery hill.



This is the judgment the court decreed—
The penalty placed on the driver's deed.
He called for the payment, if you please,
Of all the bills for the injuries.
How will he pay it? He hasn't much—
A home, a few scattered bonds and such.
That is the sum of his property.
After mulling for years so carefully,
Must he lose it all to pay this bill,
Because of a skid on a slippery hill?



NOT FOR—
This is the company, tried and true,
That paid the amount the court found due.
And saved the man a terrible blow,
And saved his family a lot of woe.
For he was a smart and thrifty man,
He carried insurance on his sedan—
A comprehensive policy
Protecting himself and his family,
And covering, too, every other event
Of fire and theft and accident.
So why not do what this driver did,
This skillful man who had the skid?
Remember how often trouble occurs
And protect yourself in The Travelers.

Automobile accidents will happen, even to the
most careful drivers. And personal injury suits
frequently exact the toll of thousands of dollars. Why
not protect yourself with a Travelers Automobile
Policy? It not only reimburses you in the event
of fire or theft, but assumes the liability in case
of property damage and personal injury, up to
the stated amount of the contract. And the
amount can be made almost any sum you desire.
Call The Travelers representative nearest
you and ask the matter over with him.

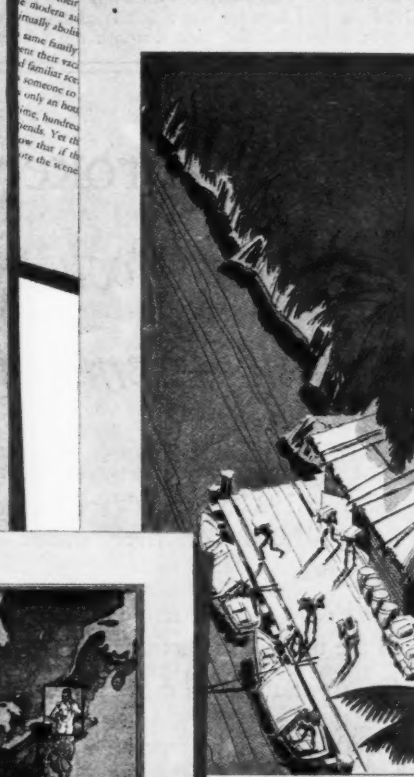
THE TRAVELERS

Hartford, Conn.
L. Edmund Zacher, President
The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
ALL FORMS OF INSURANCE



There is no distance

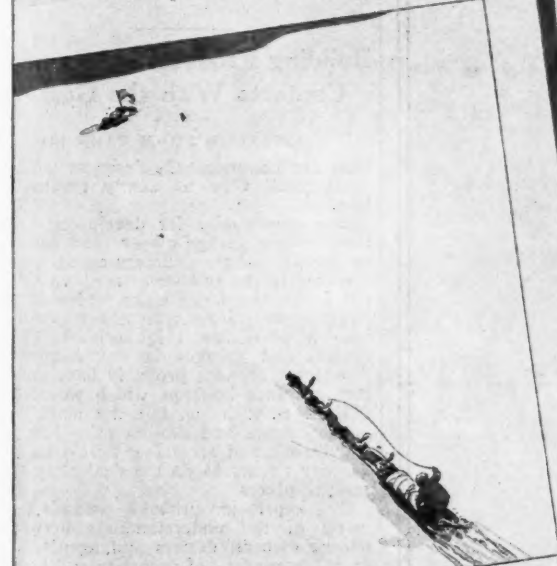
like many American families, has joined
the caravan that wanders up and down and
into their car and
back than their
we modern ad-
venturers usually abate
some family
over their road
if familiar see
someone co-
only an hour
time, hundred
pends. Yet the
now that if the
ere the scene



"Captain Caution"

Written as here this explorer will
lead his party down unknown trails
the unknown single.
He will meet many a liability and
face many a danger. Against him will
be arrayed the hostile forces of man
and nature. And upon his experience,
his judgment, his foresight, will de-
pend not only his own safety but the
welfare of his entire expedition.
So this leader loves nothing so
much as to study the hazards that
he ahead and prepare to meet them
before meeting one. And because he is
cautious, because he is well-prepared,
his party will travel in safety.
Like this seasoned explorer, many
a prudent motorist knows the wisdom
of preparing for his journey in ad-
vance. He knows that crowded high-
ways can be even more dangerous than
single trails. So he guards himself
and his family against the hazards of
the road—with the help of sound and
adequate insurance.
Should an accident result in damage
claims—a blow to the family resources—
his automobile liability insurance
would save the loss. Should he
or another member of his family be
injured in any way, accident insurance
would pay all doctors' and hospital
bills.
And should this motorist meet with
an accident many hundreds of miles
from home, he would be prepared
for that too. For he is insured in a
company with representatives every-
where throughout the continent—a
company ready to serve policyholders
when and where they need help. This
company is The Travelers. Motor
insure in The Travelers.
The Travelers Insurance Company,
The Travelers Indemnity Company,
The Travelers Fire Insurance Com-
pany, Hartford, Connecticut.

National Geographic Magazine—March 1935

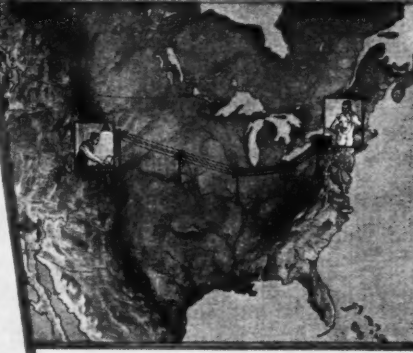


CACHE

the white wastes that stretch end-
lessly above the Arctic Circle, a man
ling his solitary way.
is hundreds of miles from civiliza-
tion's nearest outpost. Yet he is not wor-
ried. He does not fear what lies ahead.
For against this possibility he has pre-
pared a series of caches—supply boxes
strategically placed along his route—to
see him what he wants when and where
he needs it.
It is a far cry from wilderness wander-
ing to today's motoring. But many a wise
motorist travels in greater peace of mind
because he has taken the theory of the
cache and made it protect him along the
motor trail.
He has foreseen the possibilities of acci-

dents. He knows that, no matter how care-
fully he drives, something may happen.
And against this possibility he has made
sure of the protection of an adequate amount
of insurance.
Automobile liability and property dam-
age insurance takes care of claims arising
from personal injury to others and damage
to their property. Accident insurance pays
all his own doctor and hospital bills and
even gives him an income until he is on
his feet again.
Not has he forgotten that he may be
hundreds of thousands of miles from home
when an accident befalls him. So he has
chosen his insurance company carefully to
be sure it can give prompt service in claim
service. For by so doing his automobile and
accident insurance becomes a true cache—
one that insures him against a true cache-

strategically placed to give him help
promptly, when and where he needs it.
By means of its thousands of representa-
tives throughout the United States and
Canada, and with claim service stations
located at strategic points throughout
North America, The Travelers possesses
unique ability to serve its policyholders
wherever and whenever need for help arises.
This same prompt service is available to
those who are insured under life, accident,
automobile, burglary, fire or any other
form of policy.
Motor: Insure in The Travelers.
The Travelers Insurance Company, The
Travelers Indemnity Company, The Travelers
Fire Insurance Company, Hartford,
Connecticut.



Once there were two telegrams . . .

in the Rockies and bedtime along
when a worried tourist walked
to the telegraph office and had the op-
portunity to send a telegram.
"Car Here Stop What Will I
do?"
from his native New York
be worried, for it looked as
if he had been wrecked. The motor-
ist to which he and his wife
ward—cut short by a sud-
den car wrecked and its driver
a damage suit, perhaps,
distance early to whom
business friend back home,
was to him he telegraphed
and, pain-
wired a reply. He told
the matter—to go
there in the morning
minutes before the
telegram. It seemed

incredible to him—how could anyone get there
so early?
But early the next morning a stranger appeared
at his hotel. He got the facts on the case, made a
few telephone calls, then turned to the tourist
and said:
"You can continue your trip just as soon as your
car is ready. We'll straighten out everything with
the owner of that car you wrecked."
This is a true story from the records of The
Travelers Insurance Company. The tourist's car was
insured in The Travelers. His business friend was
the Travelers man who had written his policy.
The stranger who appeared so promptly in the
morning was a Travelers representative located
right in the Missouri town.
And this story illustrates the value of carry-
ing automobile insurance in The Travelers. For
this company, with representatives throughout
the continent, is uniquely organized to serve policy-
holders promptly wherever and whenever they need
help. Motor: Insure in The Travelers.
The Travelers Insurance Company, The Travelers
Indemnity Company, The Travelers Fire
Insurance Company, Hartford, Connecticut.

National Geographic Magazine—May 1935

ANOTHER helpful way in which
The Travelers is endeavoring to
aid its representatives build their
Automobile Insurance accounts.
These and other advertisements
help present the facts which lead
to sales.

THE TRAVELERS
The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
HARTFORD • • • CONNECTICUT

What a Defense Involves

Defending a Suit Is Much More Than Merely Hiring Lawyer and Letting Him Proceed



Few prospects for automobile public liability insurance realize the value of the service offered by an insurance company in handling claims which result from an accident. The conservative automobile owner may feel that he is very careful in his driving and that there is not much chance of his being involved in a serious accident. If he is involved in an accident, he confidently argues, it won't be his fault so he won't be liable for damage to the other fellow. But the claim mindedness of the public has not only become a costly nuisance to the insurance business but it is also troublesome to the non-insurer. A great many unjustified suits are filed in the courts and they cost a great deal of money to defend, even if the defendant is not at fault.

Take a man that is involved in an automobile accident, for example, who

is not to blame, but there are certain controversial facts on which the injured person bases his claim. If the injuries are of any consequence at all the automobile owner will have to pay at least the equivalent of five years' automobile liability premium to settle the claim out of court. If the injured party insists on a large, unjust claim, the only thing to do is to take it to court and actually try the suit. It is here that the uninsured automobile owner's expenses start going up. If he gets out with less than \$350 to \$400 charges for even a simple suit he is mighty lucky. However, the costs may involve a great deal more if the case is complicated.

In the first place the automobile owner will have to employ an attorney. Inasmuch as the plaintiffs' attorneys are usually specialty men and are expert in trial work, it is necessary to employ a man who has specialized in defending such suits. Just any lawyer won't do because too much is at stake to risk losing the case through the ignorance of a

lawyer. Good lawyers require high fees and the automobile owner is lucky if he can get one to try a case for as low as \$50 a day or \$75, usually the minimum, and he may have to pay \$100 to \$250 a day. Once the attorney is employed, it is only the beginning as far as the expense goes. Probably there is property damage involved so that the automobile owner must find a mechanic to answer the claims of the plaintiff. The mechanic's fee will run around \$15. It is necessary to employ an expert doctor in order to testify regarding the claimant's injuries. Insurance company claim men find that even their own doctors disagree among themselves so that an expert medical man must be employed to refute the statements of the plaintiff. Sometimes additional medical aid must be called in to interpret x-rays which are supposed to show fractures or some internal condition. These expert medical men charge from \$50 to \$100 per day. Sometimes it is necessary to have a diagram drawn by an engineer showing the location of the accident and various points involved, which adds \$10 or \$15 to the bill.

Witnesses have to be secured and examined in preparation of the trial. This legal work has to be paid for in addition to the actual trial work. The witnesses have to be served with subpoenas, which cost over \$1 each, and traveling expenses

have to be paid. In addition to this, it is usually customary to reimburse the witness for money lost in case he has to leave his job in order to testify. Although the witness can be forced to testify by serving him with a subpoena, if he is going to lose money by coming to the trial he is apt to be prejudiced against the person who has subpoenaed him.

In preparing the suit the attorney also has to look up certain points of law, which consumes a varying amount of costly time.

A court reporter has to be employed at \$3 an hour, plus 50 cents a page for the transcript. If the case is appealed, an abstract and a brief must be filed, resulting in a \$20 to \$100 bill for printing, plus the lawyer's time in preparation.

In the trial court it usually takes two or three days to try a suit as a great deal of time is consumed in selecting the jury, presenting the testimony and the arguments to the jury. All this time the lawyer is getting paid his huge daily fee, so that the money the automobile owner might have saved by not buying insurance is rapidly eaten up. It is difficult to make an accurate estimate of the cost in trying a case because it depends upon the amount of preparation and the circumstances involved. When a man is involved in an automobile accident suit, he can't merely go to see a lawyer and have the lawyer go into court and defend the case. It is a very complex matter and requires a good deal of time, difficulty and red tape.

As it is pointed out, it is necessary to employ an expert attorney because the plaintiff's lawyers are all specialists. Just any lawyer won't do and it is hard to select a good lawyer. A friend may recommend somebody who is not equipped to handle the case and the lawyer in question may need the money so he will take it any way just because he wants the fee. The legal services offered by the insurance company are the best available so that the automobile owner knows that whatever company defends his case he is getting the best legal aid possible.

Agents and Brokers Will Put Dollars in their Pockets from Increased Automobile Premiums in 1935

- ¶ The Literary Digest poll shows that 285,951 families will buy 292,855 cars this year, for which they will pay \$205,006,200. Every owner needs Automobile Insurance.
- ¶ Leaders in the motor industry predict a 20% increase in the number of cars this year.
- ¶ Car registration has increased nearly 5¼%.
- ¶ 5,000,000 cars are seven years old or more, and are being replaced.
- ¶ Henry Ford says that he will build 1,000,000 cars in 1935.
- ¶ Sales at motor shows were the largest since 1929.
- ¶ More cars mean more opportunities for Automobile Insurance.
- ¶ Our policies are dependable by every test, and our service is country-wide.

American Surety Company
of New York

New York Casualty
Company

Home Offices in New York

Both Companies Write

Fidelity and Surety Bonds and Casualty Insurance

Building Production Around Contacts With the Garages

(CONTINUED FROM PAGE 12)

tics are common. Carelessness with a blow torch very frequently results in loss.

The opportunity for developing contacts among garage owners and dealers on the part of the ordinary agent is not confined to the smaller or medium sized cities. In the large cities, there is an equal opportunity for an agent to cultivate a particular neighborhood. The dealers and garages in the congested downtown sections probably have existing insurance hookups which would be difficult to dislodge, but the neighborhood garages and dealers offer just as worthwhile and accessible a field to the big city agents as do the dealers in the smaller places.

The impression probably prevails that many of the understandings between garage owners, dealers and agents, are on the borderline of propriety and hence the field may be shunned by the orthodox agents. Although commission splitting deals undoubtedly do exist, they are not nearly as prevalent as many may believe. There is plenty of opportunity for honorable and businesslike solicitation of garage owners and automobile dealers.

Auto Sales Soar

The large sale of new cars in 1935 is encouraging from the insurance standpoint. According to the "Automobile Trade Journal" the first million cars in 1935 were produced by the end of March, putting the production ahead even of estimates. Automobile factories are straining every facility to catch up with orders coming in from the field and late reports give no indication of an early recession in the buying wave.

Strength**Dependability****Service**

The London & Lancashire Insurance Company, Ltd.
London & Lancashire Indemnity Company
Law Union & Rock Insurance Company, Ltd.
Safeguard Insurance Company
Orient Insurance Company



The conservative investment policy and the consistent underwriting practice of these companies have enabled them to afford unquestioned security to their policyholders and maximum service to their agents right through the depression.

With the more encouraging outlook, their sound financial position now, as heretofore, warrants the full confidence of policyholders and agents.

The Companies of the "L & L" Group were among the pioneers in automobile insurance, and for more than twenty years their Automobile Departments have maintained an enviable reputation for outstanding service.



Departmental Offices at

**Hartford, New York,
Chicago and San Francisco**



Systematic Working of Plan Insures Success

By J. W. HENRY

Articles by the hundreds have been written outlining plans for the acquirement of business; my observation and experience has been that in the majority of cases lack of production is not traceable so much to the lack of a plan as to the lack of systematic and conscientious working of a plan.

The basis of any workable plan is of course—first, planning your prospect list; second, establishing your contact and, third, systematic followup, and of these the first step is by far the most important and yet one to which frequently slight attention is paid. A prospect list or mailing list made up simply of names entails a vast amount of wasted effort in narrowing it down to possible prospects.

Cites Example of Young Man Who Prepared Well

I have in mind a concrete example of a young man who, in the past two or three years, has built up a very desirable business, devoting what some would consider perhaps an undue amount of time to preparing the way for future sales. The time is arriving now where the ground work he has laid is yielding results and his contacts are multiplying to the point where it is sometimes difficult for him properly to care for them.

In the beginning, considerable time was spent in deciding from what source his contact list should be built. Finally, two sources were tapped—one, what might be termed a personal contact list, made up of business acquaintances, friends, people he met casually from time to time, etc. The second was a cold list, culled from the rosters of business



J. W. HENRY, Pittsburgh
General Agent Aetna Casualty

organizations, clubs, and certain desirable residence sections of the city, taken from the telephone street directory, and similar sources.

Both of these lists were contacted periodically by means of a house organ, published by an insurance company but issued under his name. After several of these had been mailed, so that his name might be more or less familiar to the prospect, a typewritten—not mimeographed or multigraphed—letter was

mailed to the home address. Mail of this type sent to the office sometimes does not reach the desk of the man for whom it is intended and if it does, frequently receives but casual, if any, attention. At home it may receive a little more careful perusal. Not more than ten of these were sent out each day or each second day. Shortly after dinner, when he was reasonably certain of catching the man in, a telephone call was made, very briefly, asking for an appointment. Of course a card record was kept of all of these possible contacts and only a short time was required to weed out the ones on which it was useless to spend time.

The contact was now established, and this contact list is still being added to, not only on the basis of the plan outlined, but by a constantly spreading network of prospects obtained from the original contact point.

There is nothing new in this plan; what has enabled this man to increase his business very materially in the past year was his SYSTEMATIC WORKING of the plan. He never allows his contact list to stand still. He never allows a contact to become "cold" after one line has been sold. Because he failed to sell a man this year does not remove that man's name from his contact list; it merely places him on the six months or 12 months advance list for another try.

Any plan which will SYSTEMATICALLY require a man to talk to a given number of prospects each day—personally or by telephone, will bring results—if you acquire a knowledge of the prospect's needs and service those needs intelligently.

Verdicts: Here and There

A Belvidere, N. J., man killed, wife awarded \$10,000.

Mt. Clemens, Mich., man was killed—\$9,085 award.

A 65 year old Los Angeles woman suffered foot injuries—awarded \$9,000.

Claims That Have Been Paid Under All-Risk Policy

Although the comprehensive automobile physical damage policy is in its infancy and the number of outstanding policies is comparatively small, practically all companies have already paid a good many claims under the contracts that would not have been covered under the conventional policy. In order to give an idea of the type of loss that is likely to arise that is covered under the comprehensive form, but would not be covered otherwise, a number of loss departments were queried. Below is presented a brief statement of some of these claims that have actually been paid.

In New York some one tried to break into a car, smashing the window and springing the frame.

In Columbus, O., a sand and dust storm damaged the wind shield and fenders.

In New York an assured slammed the door and broke the glass. In another place the glass in the door was broken and the radio was stolen.

At Virginia Beach a dust storm took the paint off the side of a car.

In Washington, D. C., a child wrote on the fenders of a new car with a stone. In another place a car driven 50 miles an hour on a gravel road met a car which passed at the same speed throwing a rock and breaking the windshield of the first car.

In Albany, N. Y., there was a theft of a locking door handle.

In Maine a new driver stepped on the accelerator instead of the brake and ran the car off the road, across the field, in and among trees and finally into a lake. The water damage claim was paid.

(CONTINUED ON PAGE 23)

—the last word in financial Soundness
and Sensible Automobile Underwriting

\$325.00 in Assets for Every \$100.00 of Liability
with an "A" rating (meaning Excellent)

1925 — AUTOMOBILE INSURANCE — 1935

Illinois agents writing automobile insurance cannot afford to overlook the opportunity offered agents by the "Suburban". Since 1925 the "Suburban" has maintained an enviable position in the Automobile Insurance Field, its Ratio of Assets to Liabilities being unusually high. It has on hand more than sufficient cash and U. S. Government Bonds to liquidate all liabilities. We invite comparison.

We welcome reliable Illinois agents, who can measure up to our standard of qualification, to make inquiry for available territory.

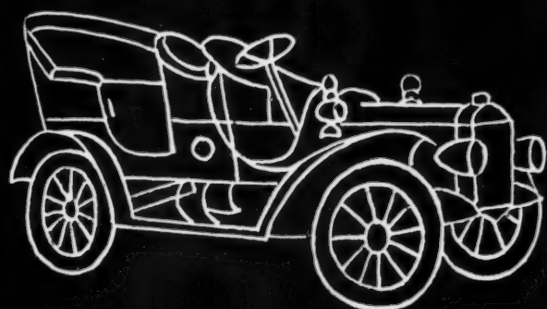
SUBURBAN AUTO INSURANCE COMPANY

EDWIN F. DEICKE, Pres.

Home Office: LOMBARD, ILLINOIS

A. C. McKEOWN, Spec. Agent for Northern Illinois

N. W. OPPENHEIM, Spec. Agt. for Down State Illinois



To agents who exercise good judgment in the selection of automobile risks, the companies of the Fireman's Fund group offer every facility of their Nation-wide automobile insurance organization. There's a real opportunity for automobile insurance in 1935. Let us help you to make the most of it!

Fire • Automobile • Marine • Casualty • Fidelity • Surety

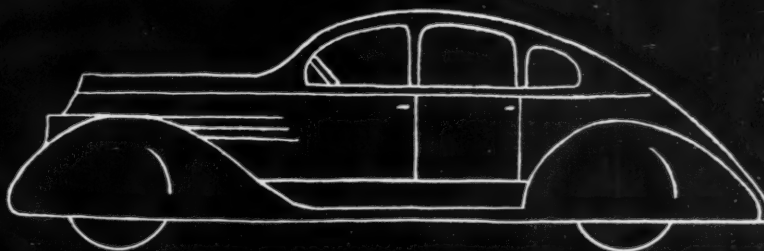
FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company — Occidental Insurance Company

Home Fire & Marine Insurance Company

Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York • Chicago • SAN FRANCISCO • Boston • Atlanta



COMPLETE AUTOMOBILE

PUBLIC LIABILITY
PROPERTY DAMAGE
TRANSPORTATION

FIRE
HAIL
THEFT

RIOT AND CIVIL C

COMBINATION COMPREHENSIVE POLICY can include



U. S. F.
UNITED STATES FIDELITY

with which i

F. & G.
FIDELITY & GUARANTY

HOME OFFICES: BALTIMORE

"CONSULT YOUR INSURANCE AGENT OR BROKER AS TO THE SCOPE OF THE POLICY"

MOBILE PROTECTION

COLLISION

PLATE GLASS

TORNADO

FLOOD AND RISING WATER

TOWING

DAMAGE BY AIRCRAFT

CIVIL COMMOTION

CY can include all of these coverages and other possible losses.

F. & G.

DELTY & GUARANTY COMPANY

with which is affiliated

G. FIRE

GUARANTY FIRE CORPORATION

BALTIMORE, MARYLAND

OR BROR AS YOU WOULD YOUR DOCTOR OR LAWYER."



Capacity of Agency Force Must Be Ably Used

By J. J. Magrath

The following address was given recently by Mr. Magrath, who is chief of the rating bureau in the New York insurance department, before a recent meeting.

Insurance arising out of the ownership and use of automobiles accounts for 40 percent of the premium volume of casualty and surety companies and 10 percent of the premium volume of fire and marine companies. Both classes of companies licensed in New York have a combined annual income from automobile coverage of approximately 300 millions of which 80 percent is in casualty companies and 60 percent is for bodily injury liability.

These sums and ratios are significant only in demonstrating the importance of this line and the necessity for careful development of its future. It is not unlikely that this business could be trebled without entirely exhausting the available field of prospects.

The producing forces of the country, who receive about one-quarter of

this income, are coming to a greater realization that the public must be convinced of the utility of their service. The unused capacity of this great body should be capable of great benefit if intelligently directed and ably employed. Aside from the necessity for periodic contact with assured and prospects for the purpose of reminding them of the value of protection and the availability of broader forms of cover, and in addition to stressing the worth of his service in the way of expert advice and assistance at all times, the producer can make himself heard in the humanitarian work of safety education.

Frequent Two-Minute Talks Are Recommended

If in private and in public the insurance men of the country will preach of the necessity of care by motorist and pedestrian, they will perform an unquestioned public service and at the same time serve a further practical use to their business. Frequent public ad-

resses of two minute duration should do the job without undue strain on audience or speaker.

Without getting sentimental, we can recognize that careless motorists are causing a disgraceful waste of life and limb in the mad urge for speed. When to this is added the customary careless haste of pedestrians, we have a problem which cannot be ignored by private carriers and producers and will not be ignored by social economists. Manufacturers are producing vehicles capable of unsafe speed. Motor vehicle legislation may supplement but cannot be substituted for safety education.

Three Way Classification of Business Suggested

Increased cost and frequency of bodily injury damage inevitably lead to increased premiums. The public and producer frequently resent this and question the necessity. Satisfactory explanations are sometimes difficult to make and the next move is usually to seek a company that will sell at a lower price. Even where this remedy temporarily eases the feeling of hostility, it is not the remedy since it does not correct the basic evil and remains only a relative saving when compared to steadily mounting costs.

Looking at the general problem confronting underwriter and producer alike, it would not be unreasonable to classify business as:

1. Private and commercial small risks.
2. Private and commercial large risks.

3. Special hazard risks, all sizes.

In the first, we find the bulk of the automobile business. It is the average or normal class which responds to the influence affecting the general hazard and is used as a basis for rate-making. This is the non-fleet business that has no unusual condition. Most of the unrest in this class arises from the lack of price distinction between those who use their cars infrequently and those who have their cars in constant use. Another criticism relates to the failure to surcharge accident repeaters. Underwriters must continue to devote attention to both problems.

The second class represents risks that receive recognition, in a fixed ratio, of assumed non-operation and partial credibility for loss record. The one arbitrary and the other scientific plan do not always produce equitable results satisfactory to insured and insurer. The unreliability of audit data led to the adoption of the fixed fleet credits. This will probably be ultimately revised to reflect variations by industry groups. Adjustments in cost by size of risk due to modification of necessary expense loading, may be feasible when it can be shown that the rights of small risks are not prejudiced thereby. Equity rating, where permitted, involves unofficial recognition of variable expense loadings.

The third or special hazard class consists of such risks as buses, taxicabs, long haul truckmen and some

(CONTINUED ON LAST PAGE)

HOW'S YOUR AUTOMOBILE VOLUME?

It's a big automobile year. New car sales are running well ahead of any spring since 1930. No wonder AMICO agents are setting sales records.

The advantages that AMICO offers are readily apparent to careful insurance buyers—a strong financial structure . . . able, experienced management, a reputation for handling claims promptly and fairly . . . and low net cost.

Wouldn't this combination prove helpful in your drive for your share of the Automobile business? Why not have us tell you more about the advantages this legal reserve, stock company offers the progressive agent?

AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Home Office . . . Chicago, U. S. A.

LARGEST ILLINOIS STOCK CASUALTY COMPANY

One Hour Indiana Claim Service



GEORGE A. HENRY



GLENN W. FUNK

One-hour claim service anywhere in Indiana, day or night, by experienced claims representatives is offered by the newly organized Indiana Casualty Claim Service, 130 East Washington Building, Indianapolis.

Resident adjusters and branch offices are maintained in 60 different towns and cities distributed strategically to blanket the state. A representative is at no time farther than 35 miles from the scene of any accident occurring in the state. Each of the offices is managed by a legally trained claims representative, whose activities in the investigation and adjustment of losses are closely supervised by the home office.

George A. Henry, a veteran of 14 years' experience in the independent adjustment field, heads the company. He is also president of the Indiana Adjustment Company which has been operating in Indiana since 1921 and has maintained offices at Indianapolis, Evansville, Fort Wayne and Terre Haute for ten years.

The Indiana Casualty Claim Service will handle personal injury, property damage, compensation, health and accident, general liability, surety and inland marine losses.

Extension of the services and facilities

of the Indiana Adjustment Company is also announced by Mr. Henry. The Indiana Adjustment Company will handle general fire, automobile, cargo, collision, fire, theft, single interest, and other automobile coverages. The Indiana Adjustment Company, in addition to cooperating with the facilities of the Indiana Casualty Claim Service, has established new branch offices at Gary, South Bend and New Albany. This brings the total of the offices of the Indiana Adjustment Company to seven, the other offices being at Indianapolis, Fort Wayne, Terre Haute and Evansville. Several more branch offices of the Indiana Adjustment Company are in process of establishment in order to reduce traveling time and other attendant loss expense.

Leo L. Kriner, Indianapolis attorney who has been connected with Mr. Henry's office in the capacity of attorney-adjuster for three years, is vice-president of the Indiana Casualty Claim Service.

Glenn W. Funk, Indianapolis attorney, for seven years in Mr. Henry's office, and former branch manager of the Evansville office of the Indiana Adjustment Company, is secretary-treasurer.

United States Fire Insurance Co.
of New York
Incorporated 1824

Westchester Fire Insurance Co.
of New York
Incorporated 1837

North River Insurance Co.
of New York
Incorporated 1822

British America Assurance Co., Toronto
Incorporated 1833

Allemanina Fire Insurance Co.
of Pittsburgh
Incorporated 1868

Western Assurance Co. of Toronto
Incorporated 1851

Richmond Insurance Company
of New York
Organized 1836

THOUGHTS *of* TOMORROW

DO you sell your clients sound, dependable automobile protection?

As a rule assureds defer to your judgment and do not care where you place their insurance. In case of loss your judgment is on trial and if the claim receives prompt, considerate and satisfactory service up to the standard of the Crum and Forster Companies you become a real honest-to-goodness insurance counsellor; if not,——well——.

Cheap insurance is just what the term implies and wears no better and gives no more satisfaction than any other low grade article.

Protect your agency and your client with high grade insurance in a Crum and Forster Company.

*For Information, Write our Office
at FREEPORT, ILLINOIS*

CRUM & FORSTER COMPANIES

WESTERN DEPT., FREEPORT, ILLINOIS, F. M. GUND, Mgr.



**NATIONAL UNION
FIRE INSURANCE
COMPANY**
Pittsburgh, Pa.

**AUTOMOBILE
INSURANCE**

A SPECIALTY

Agents can be assured
of satisfied clients
through Coast to Coast
Service.

**A
Good
Agency
Company**

Big Twelve Fleets Headed by Travelers and Aetna

THE Travelers again led all stock company fleets in automobile premiums with a total \$22,151,229, a 4.2 percent increase or \$906,219 over the 1933 aggregate of \$21,245,010. The Royal-Liverpool & London & Globe group was again second with \$14,682,990 with a half million dollar decrease. The Aetna Life group went ahead of the Employers with \$13,969,070, a slight decrease, while the Employers had \$13,-

820,948, a \$200,000 decrease. The American Automobile group gained \$1,200,000 in premiums, the America Fore \$185,000, the General Accident \$475,000, the Hartford Fire \$200,000, the Home of New York \$2,500,000, the United States Fidelity & Guaranty \$300,000. There were 12 stock company fleets with \$5,000,000 or more premiums last year, the same as in 1933. They follow:

	1934 Premiums	1934 Losses	1933 Premiums	1933 Losses
Aetna Life				
Aetna Casualty	\$ 7,427,393	\$ 2,858,508	\$ 6,867,637	\$ 2,705,855
Aetna Life	5,559,490	3,544,812	6,353,328	3,468,577
Automobile	966,242	266,204	829,634	273,858
Iowa Fire	—	—	4,784	3,088
Standard, Conn.	15,945	5,901	15,761	3,481
Total	\$13,969,070	\$ 6,675,423	\$14,061,576	\$ 6,454,859
American Automobile				
American Auto., Mo.	\$ 7,589,619	\$ 3,445,956	\$ 7,166,277	\$ 3,243,588
American Auto. Fire	1,177,664	423,004	388,135	475,348
Total	\$ 8,767,283	\$ 3,868,960	\$ 7,554,412	\$ 3,718,936
America Fore				
American Eagle	\$ 167,948	\$ 56,818	\$ 179,802	\$ 71,112
Continental	930,326	396,496	1,004,445	460,217
Fidelity & Cas.	6,851,943	3,780,608	6,838,133	4,077,871
Fidelity-Phenix	932,874	419,889	844,251	405,662
First American	66,001	26,790	48,127	20,313
Maryland	19,229	19,333	20,691	9,466
Niagara	466,881	174,174	322,952	139,085
Total	\$ 9,435,202	\$ 4,864,108	\$ 9,258,401	\$ 5,183,726
Employers				
American Employers	\$ 2,317,444	\$ 1,374,112	\$ 2,198,028	\$ 1,256,204
Employers Fire	594,278	206,429	585,667	216,401
Employers Liability	10,909,226	6,070,393	11,281,909	5,662,387
Total	\$13,820,948	\$ 7,650,934	\$14,065,604	\$ 6,840,232
Firemen's of Newark				
Commercial Casualty	\$ 2,010,324	\$ 1,533,398	\$ 2,022,222	\$ 1,719,782
Concordia	68,014	23,895	80,321	39,100
Firemen's	768,744	310,636	656,448	210,165
Girard F. & M.	68,014	23,895	80,321	39,100
Mechanics	—	3,109	47,578	39,100
Metropolitan Cas.	2,190,266	1,491,228	2,508,402	1,505,758
Milwaukee Mechanics	197,861	71,685	212,498	97,751
National Ben Franklin	68,014	23,895	80,321	39,100
Superior	68,014	23,895	60,920	24,438
Total	\$ 5,437,251	\$ 3,505,636	\$ 6,349,121	\$ 3,714,294
General Accident				
General Accident	\$10,145,811	\$ 4,514,425	\$ 9,722,063	\$ 4,375,534
Potomac Fire	638,859	299,997	585,662	300,571
Total	\$10,784,670	\$ 4,814,422	\$10,307,725	\$ 4,676,105
Hartford Fire				
Citizens	\$ 7,325	\$ 2,607	\$ 7,352	\$ 3,347
Hartford Fire	1,992,311	741,559	1,965,815	798,648
Hartford Accident	11,315,630	6,332,230	11,144,746	6,226,401
New York Under.	37,915	14,779	35,044	16,180
N. W. F. & M.	23,320	8,602	23,112	10,132
Twin City	4,068	1,542	4,033	1,957
Total	\$13,380,569	\$ 7,101,329	\$13,177,102	\$ 7,056,665
Home				
Baltimore American	\$ 146,986	\$ 74,234	\$ 151,772	\$ 71,083
City of New York	862,862	296,765	552,473	221,423
Carolina, N. C.	—	—	—	118
Franklin	1,294,294	445,351	828,710	346,131
Georgia Home	—	—	—	237
Home Fire	6,133,852	2,383,878	4,340,491	1,686,719
Home Indemnity	1,066,132	726,622	1,161,078	1,058,787
National Liberty	397,136	201,195	410,346	210,237
New Brunswick	—	—	—	—
Southern Fire	297	252	1,161	10,656
Total	\$ 9,901,559	\$ 4,128,297	\$ 7,443,709	\$ 3,605,836
North America				
Alliance, Pa.	\$ 134,939	\$ 47,348	\$ 132,273	\$ 47,459
Central Fire, Md.	67,470	23,674	66,137	23,730
Indem. of No. Amer.	4,533,340	2,696,893	5,257,876	2,657,261
Ins. Co. of No. Amer.	1,190,459	420,870	1,175,764	421,865
National Security	22,490	7,891	22,046	7,910
Philadelphia F. & M.	74,966	26,304	73,485	26,367
Total	\$ 6,032,664	\$ 3,222,950	\$ 6,727,581	\$ 3,184,592
Royal-L. & L. & G.				
American & Foreign	\$ 59,957	\$ 24,034	\$ 64,222	\$ 26,656
British & Foreign	10,614	5,322	19,136	7,329
Capital, Calif.	9,702	3,590	9,591	4,075
Eagle Indemnity	1,354,981	854,190	1,510,835	641,084
Federal Union	34,723	12,986	34,057	13,444
Globe Indem.	6,268,690	3,405,732	6,538,665	3,254,861
Liverpool & London & Globe	539,123	201,621	528,425	208,737
Newark	196,695	73,803	196,889	77,031
Queen	407,091	152,200	402,833	157,712
Royal	539,123	201,621	528,041	208,737
Royal Indemnity	5,158,212	2,650,935	5,269,036	2,373,772
Star	104,169	38,957	102,172	40,332
Total	\$14,682,990	\$ 7,624,991	\$15,212,902	\$ 7,013,770
Travelers				
Travelers	\$15,110,548	\$ 7,290,308	\$14,384,925	\$ 7,558,655
Travelers Fire	1,396,566	382,559	1,367,314	458,173
Travelers Indemnity	5,644,115	1,999,604	5,492,771	1,826,164
Total	\$22,151,229	\$ 9,672,471	\$21,245,010	\$ 9,842,992
U. S. Fidelity & Guaranty				
Fidelity & Guaranty Fire	\$ 897,286	\$ 327,216	\$ 839,072	\$ 344,811
U. S. F. & G.	8,260,498	4,906,980	8,014,676	4,662,967
Total	\$ 9,157,884	\$ 5,234,196	\$ 8,854,648	\$ 5,008,778

Auto Insurance Starting Point for Reconstruction

(CONTINUED FROM PAGE 5)

the agent finds among prospects, when the automobile insurance approach is based on the liability feature. In the first place, there is the motorist who feels that he will escape accident because his exposure may be very slight. He may say that his car is in the garage all week and that the only time he uses it is over the week end.

Then statistics are indicated at this point. About one out of 20 motorists each year is involved in an accident in which one or more persons is killed or injured. Probably nobody thinks he is going to be in an accident; everyone thinks he is a careful driver or a skillful one or that he uses his car so little that he will escape. It is difficult to understand why a man, in the most hazardous operation of his life can think that he is immune and does not buy insurance, whereas he will insure his home against fire—a far less likely catastrophe. A man who drives these days without automobile liability insurance is carrying his house and lot or farm and his savings and future savings in the back seat. In an instant there can be a crash that will force him to turn over the key to his front door and the safety deposit box to a stranger.

May Not Be So Sure of Wife's Driving Ability

A man who is cock sure that he is a good driver and will avoid accidents, is likely to hold in less esteem the driving ability of his wife or of his children. Very often his resistance to the purchase of insurance can be broken down, if the agent merely mentions the fact that others in the family may be less experienced drivers.

The really careful driver may feel that he does not need insurance, because if he is involved in an accident, it will be the other man's fault. The answer is: "Tell it to the judge." The careful driver may be alone at the time of the accident. There may be a car full of friends and relatives in the other automobile. Negligence is a question for the jury and it may be the word of the careful driver against a bunch of carefully coached witnesses.

Then there is the man who says he is judgment proof. That may be his real reason for not buying, but the chances are that it is not. It is more likely to be an excuse, an effort to cut off a solicitation. The likelihood is that a man who makes such a statement has simply not been impressed with the far-reaching consequences of an automobile accident. He hasn't been convinced of the necessity for the insurance.

When an agent runs into an argument like this, he might adopt a somewhat reproachful tone. "I am sure," he might say, "that you don't mean that. I have failed in some way to visualize for you what may happen in the event you are involved in an automobile accident and are not insured. Never having been involved in an accident, it is hard for you to understand the consequences, not only in loss of money, but in personal inconvenience and the bewilderment of complicated and prolonged police and court procedure.

"I am sure that you do not take the attitude that you are not willing to relieve suffering and misery to persons, who may be your victims, some time when you suffer the lapse that we all suffer in driving at times. That is such an unsocial attitude to express, that I am sure you really do not mean it and that at some point I have fallen down on the job of making clear the need for insurance."

R. I. Catlin, assistant vice-president of the Aetna Casualty, in recent talks throughout the country to groups of agents, has been saying that the great need in automobile insurance is for salesmanship. He attributes much of the confusion that has developed in connec-

tion with the line and the demoralization in the rate structure to the fact that real salesmanship is not evident today.

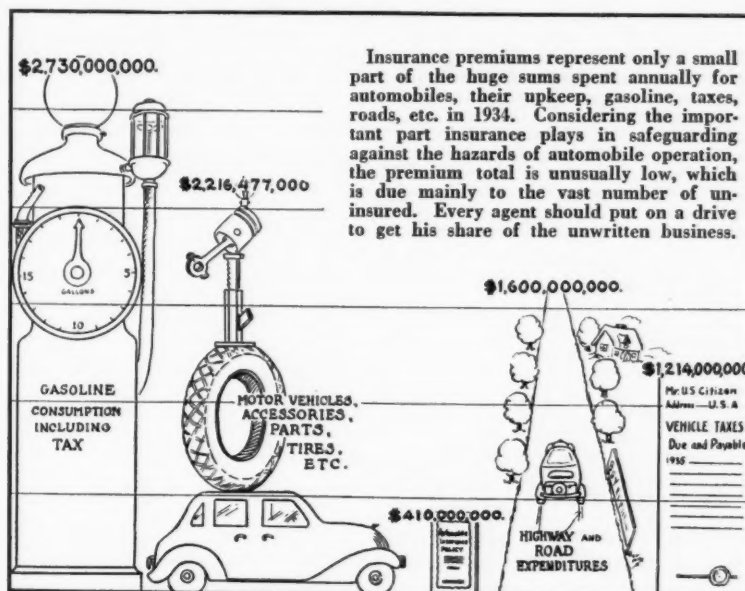
In the earlier days of the automobile, he said insurance was intelligently sold. The motor car was new and insurance for it was new. The reasons for buying had to be brought out and considerable resourcefulness was required in mustering these arguments.

However, as the sale of cars increased, as congestion became greater and as accidents increased, a large portion of the population bought their automobile insurance automatically. The agent then became an order taker. A certain amount of automobile insurance fell his way from his established clients.

Then the depression came along, the cost of insurance went up and the buying power of the public went down. Many new companies had come into the field and the terrific competition based on price developed. Emphasis was on the price tags and the agents lost heart in attempting to uphold the rate level.

As this sort of competition developed it became more and more extensive. More and more people were being educated to the fact that there was a market aside from the standard companies selling at standard rates. An executive of one of the large outside companies which offers a small differential in rate, remarked recently on the big drive for business being put on by another outsider which is offering a big cut. The executive of the first outside company remarked that the second company sooner or later would have to increase its rates as the premium it was getting was nowhere near enough. This executive was waiting on the sideline for the other company to increase its rates. When that is done, he said his company will go after that business aggressively. The policyholders who bought at a heavy cut, according to his theory, will become dissatisfied when the rates are raised on them. However, they were educated to the idea of getting some sort of a rate cut, and another company will be able to get their business by

Challenge to Insurance



offering considerably less of a rate cut.

The agents of the country must be stirred from their complacency and aroused to real selling efforts if the automobile business is not to drift away. This is the time to strike. The companies that are members of the National Bureau of Casualty & Surety Underwriters did not increase their rates this year. Many expected a heavy increase. Although an increase was justified on a mathematical basis, it was not put into effect. If the automobile accidents continue to increase at the rates that they have been increasing, and the severity of accidents increases as it has, the rate

differential between organization companies and the outside market is bound to become reduced.

"Careful" Drivers Don't Fare Well Before the Courts

(CONTINUED FROM PAGE 6)

involved in an accident. In quite recent years the courts have been taking seriously the rule that a driver must have his car under control. Court after court is going over to the strict rule that keeping a car under control means

being able to stop within the assured clear distance ahead. This question arises mainly at night, when visibility is poor even with good headlights. All night drivers are aware of the difficulty of making out objects that are nearby, even though the headlights will pick out certain objects a mile or half mile ahead. The driver cannot proceed on the theory that he can see for half a mile ahead. He must go slow enough so that he can make out the objects in his path, whether pedestrians, stalled cars or trucks without lights, animals, or whatnot. The rule was expressed by one court to mean that if the driver could not see in a dust storm at a speed of more than four miles per hour, then it was his duty to slow down to four miles an hour.

The truth is that practically all drivers are careful, in their own view. It doesn't mean a thing. Furthermore, the fact that a driver has escaped a million times doesn't mean anything either. He may lose the next time.

Claims That Have Been Paid Under Comprehensive Form

(CONTINUED FROM PAGE 16)

A man driving from California, ran into a dust storm which completely ruined the exterior of the car.

In Beloit, Wis., the wind shield of a car, insured comprehensively, cracked and snapped in two one day when it was 20 below zero.

In Nebraska last summer, when the thermometer registered 135 degrees in the sun, the wind shield became separated and had to be replaced.

In Chicago, a garage mechanic in transferring a battery in a car slipped and the acid spilled over the upholstery and splashed to the roof. Repairs \$30.

In Cleveland some neighborhood enemies of a man carrying comprehensive coverage, entered his garage and smashed the car with hammers, practically wrecking it.

Eagle and Star

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Stock Fire Companies Experience Good Year with 21 Percent Gain

STOCK fire companies had a satisfactory year in automobile business in 1934 with a 21 percent gain in premiums and a reduction in loss ratio. Last year automobile fire premiums totaled \$79,098,183, compared to \$65,428,303 in 1933, a \$13,669,880 increase. The 1932 total was \$73,727,736. Losses totaled \$31,126,729 in 1934 with a ratio of 39.4 percent, a reduction of 5 percent from the 44 percent mark in 1933 and a decided reduction over the high loss percentages in 1932 and 1931, which were 57.3 and 58.7 percent.

One gratifying thing about the 1934 experience is that in the table of the ten leaders the increase or decrease in premium column has been changed to increase in premiums, every one of the ten leaders making gains. In 1933 only three of the ten leaders were in the plus class.

The General Exchange led the stock fire companies with \$16,016,560, a 54.4 percent gain over 1933, when the total was \$10,371,800. The Home of New York again ranked second with \$6,133,852 premiums, a gain of 41.4 per-

TEN STOCK FIRE AUTO LEADERS

	1934		1933	
	Net Premiums	Paid Losses	Net Premiums	Inc. in % Premiums
1. General Exchange	\$16,016,560	\$6,579,729	\$10,371,800	54.4
2. Home, N. Y.	6,133,852	2,383,878	4,340,491	41.4
3. St. Paul F. & M.	3,019,763	1,020,828	1,975,392	52.7
4. Fireman's Fund	2,473,985	1,011,291	2,208,704	12.1
5. Hartford Fire	1,992,311	741,569	1,962,815	1.5
6. National, Conn.	1,936,791	781,340	1,838,175	5.4
7. Fire Assn.	1,410,632	390,426	383,833	269.
8. Travelers Fire	1,396,556	382,559	1,367,314	2.1
9. Franklin	1,294,294	445,351	828,710	56.2
10. North America	1,199,459	420,870	1,175,764	2.3

cent, or \$1,793,361. The St. Paul Fire & Marine went into third place with a 52.7 percent gain, a total of \$3,019,763, or a \$1,044,371 increase. The Fireman's Fund ranked fourth with \$2,473,985 in premiums, an increase of 12.1 percent, or \$265,281. The Hartford Fire again came fifth with \$1,992,311, a gain of \$29,496 or 1.5 percent. The National of Connecticut was in sixth place again

with \$1,936,791, a gain of \$98,616 or 5.4 percent. The Fire Association, which was not among the ten leaders last year, jumped up to seventh place with an outstanding gain of 269 percent for a total of \$1,410,632 or \$1,026,799 more than in 1933. The Travelers Fire retained eighth place with \$1,396,556 total, a gain of 2.1 percent. The Franklin joined the ranks of the ten

leaders with \$1,294,294, a gain of 56.2 percent, or \$465,584. The North America ranked tenth with \$1,199,459, a 2.3 percent gain. There were three other million dollar companies, the American Automobile Fire, with \$1,177,664, a gain of \$789,529 or 200 percent. The Bankers & Shippers showed an 87 percent gain with \$1,167,932, and the Federal had \$1,046,305, which represented a slight decrease.

The huge increase in premiums shown last year by the General Exchange, which insures automobiles, the purchase of which is financed through the General Motors Acceptance Corporation, is explained largely because of the fact that last year all borrowers were compelled to buy deductible collision insurance, as well as fire and theft.

There was also a natural increase because of the greater number of cars purchased and hence financed last year.

The borrower must purchase either \$50 or \$75 deductible collision coverage depending on the type of car. This is dual interest coverage, protecting both the finance company and the borrower.

1934					1933					1934					1933				
	Total Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Total Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Total Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.		Total Net Premiums	Paid Losses	Loss Ratio	Inc. or Dec. in Prem.
Aetna Fire	809,825	360,266	44.4	60,713	809,112	534,661	66	-1,205,607		Great Eastern	5,423	3,327	61.3	425	4,998	783	15.7	1,052	
Agricultural	402,962	207,563	51.5	-70,772	473,734	308,873	65.5	-142,341		Gulf	345,917	127,295	36.7	47,489	298,428	100,849	33.7	91,504	
Albany	48,991	14,595	29.8	4,602	44,389	23,919	54	9,415		Hamilton	9,479	1,448	15.2	-12,402	21,881	11,078	50.6	-70,776	
Allermann	35,119	10,688	30.4	-4,626	37,775	20,300	53.2	-12,660		Hanover	464,327	175,674	37.6	32,248	432,079	168,467	39	4,639	
Alliance, Eng.	187,152	68,965	36.9	-13,323	200,475	86,708	42.3	-9,547		Hartford	1,992,311	741,569	37.2	29,496	1,962,815	798,548	40.6	-267,631	
Alliance, Pa.	134,939	47,348	35.1	2,666	132,273	47,459	35.8	-24,525		Homeland	85,191	34,212	40.1	16,946	68,245	31,964	46.8	-8,275	
Allied, N. Y.	43,474	8,275	19.3	37,743	45,767	8,164	17.9	-1,907		Home, Hawaii	55,614	14,793	26.5	19,783	35,831	7,861	21.9	-5,600	
Allstate F. Ill.	42,438	14,764	28.2	-2,293	44,742	21,032	46.2	-92,335		Home, N. Y.	6,133,852	2,383,878	38.8	1,793,361	4,340,491	1,656,719	38.8	367,100	
Amer. Alliance	75,326	24,955	33.1	24,493	50,833	23,554	45.9	-17,866		Homeowners	592	231	39	611	38,910	19,099	48.9	-6,438	
Amer. & For.	59,957	24,034	40	-4,265	64,222	26,656	41.6	-19,438		Imperial	59,404	24,513	41.2	20,494	38,910	19,099	48.9	-6,438	
Amer. Auto Fire	1,177,664	423,004	35.9	789,529	384,135	475,348	122.2	-2,105,373		Imp. & Export	-304,699	416,937	...	-1,707,364	1,402,675	991,755	70.7	50,322	
Amer. Central	147,921	63,673	43	15,062	132,850	63,250	47.6	-23,959		Indem. Marine	...	...	...	-390	...	644	...	...
Amer. Eagle	167,948	66,817	33.8	-11,854	179,802	71,112	39.5	-26,743		Ins. Co. N. Amer.	1,199,459	420,870	35	23,695	1,175,764	421,865	35.8	-274,770	
Amer. Equitable	189,819	67,567	35.6	70,196	119,623	58,219	48.6	-9,090		Ins. Co. St. Pa.	143,668	58,614	40.8	73,549	70,110	25,633	36.6	-40,715	
Amer. Home	126,764	50,378	39.7	-13,167	139,931	58,221	41.6	43,503		Internat. N. Y.	23,623	15,331	64.8	42	23,581	17,658	75	9,810	
American, N. J.	808,817	402,233	49.7	49,171	750,646	347,562	41.8	-40,871		Inter-Ocean Re.	40,333	42,278	55.6	-146,154	195,487	117,327	60.1	-119,809	
Amer. Reserve	2,750	11,174	406.5	-8,933	10,833	11,017	101.6	5,461		Iowa	...	...	...	...	...	3,088	...	...
Amer. Standard	523	293	56	-311	834	1,050	126	-934		Iowa Natl.	319	8	2.5	68	37,384	9,235	24.7	8,344	
Anchor, R. I.	38,385	15,726	41	3,516	34,869	14,324	41.1	-10,099		Kans. C. F. & M.	115,608	25,765	22.2	78,224	116,983	24,182	20.7	-49,597	
Associated F. & M.	93,064	30,648	32.1	-8,422	101,486	43,175	42.5	-133,064		Keystone Au. Cl.	116,495	18,060	15.5	-438	141,826	20,356	49.5	-3,179	
Atlas, Eng.	259,609	103,111	37.1	23,628	235,981	140,086	59.4	-46,492		Knickerbocker	68,608	23,725	34.5	26,782	62,493	24,911	40.1	12,592	
Automobile	966,242	266,209	27.6	136,608	829,634	273,858	33	-102,610		Law Un. & Rock.	65,309	28,058	43	7,716	9,379	20,737	220.9	-98,344	
Baltica	12,300	3,816	31	1,728	10,562	1,572	14.9	-4,139		Lincoln, N. Y.	462,463	168,753	36.4	101,725	360,638	142,541	39.6	57,654	
Baltimore Amer.	146,986	74,234	50.5	-4,686	151,772	71,083	46.8	-39,942		London Assur.	367,181	125,873	34.2	29,849	329,310	129,310	41.4	34,635	
Baltimore Natl.	5,157	1,463	28.3	424	4,733	1,512	31.9	-1,225		London & Lanc.	367,181	125,873	34.2	29,849	329,310	129,310	41.4	34,635	
Bankers & Ship.	1,167,932	400,959	34.33	542,659	625,273	234,524	45.5	23,328		L. & L. G.	539,123	201,621	37.3	10,698	528,425	208,737	39.5	-178,526	
Birmingham, Ala.	5,153	1,074	20.8	269	4,894	1,294	26.4	-1,022		London & Prov.	47,844	16,776	35	9,693	38,151	17,095	43.7	-9,185	
Boston	361,068	123,152	34.1	-17,156	378,214	144,228	38.1	-84,778		Louisville & Scot.	23,882	7,778	32.5	3,434	20,448	12,442	60.9	-5,844	
Brit. Amer. Ont.	65,656	19,946	30.3	4,381	61,275	19,620	31.9	-4,298		Louisville F. & M.	10,461	3,585	33.9	118	10,343	2,200	22.3	3,550	
Br. & For. Eng.	10,614	5,822	50.1	-5,622	19,136	7,329	38.2	-8,106		Lumbermen's, Pa.	175,290	70,183	40	7,426	167,864	61,013	36.4	3,732	
British Genl.	25,567	11,022	43.1	-14,637	47,670	30,952	63	-270,115		Manh'n F. & M.	130,211	41,136	31.5	34,550	95,661	40,558	42.4	10,291	
Caledonian	331,133	166,018	47.1	-14,637	47,670	30,952	63	-270,115		Mfrs. Pa.	27,049	9,663	35.7	6,748	20,301	3,107	15.6	-2,353	
California	93,135	40,119	43	9,484	83,651	24,191	48.6	114,891		Marine, Eng.	186,003	68,335	36.7	-13,404	199,407	86,536	43.4	-9,396	
Camden	934,231	411,000	43.9	-19,656	47,666	34,233	71.8	-2,358		Maryland	19,229	9,333	48.5	-1,462	20,691	9,466	45.7	-6,266	
Canadian	28,010	19,769	70.5	-19,656	47,666	34,233	71.8	-2,358		Mass. F. & M.	16,337	5,730	53.8	-8,111	19,058	8,749	45.8	-6,682	
Capital, Calif.	9,702	3,590	37	111	9,591	4,075	42.5	-2,358		Mass. F. & M.	16,337	5,730	53.8	-8,111	19,058	8,749	45.8	-6,682	
Carolina	...	...	...	...	...	...	...	...		Mech. & Traders	143,876	58,042	40.3	7,326	136,550	69,057	50.6	-28,322	
Central, Md.	67,470	23,674	35	1,333	66,137	23,730	35.9	-38,174		Mechanics, Pa.	...	...	...	...	...	39,100	82.6	-43,745	
Century, Scot.	241,183	94,693	39.2	22,780	218,403	84,694	38.8	27,710		Mercantile, N. Y.	192,377	71,322	37	13,242	179,135	99,095	55.7	-78,793	
Citizens, N. J.	7,325	2,607	35.5	-27	7,352	3,347	45.5	-357		Mer. & Mfrs.	64,492	22,302	34.5	25,175	39,317	19,136	48.7	-2,987	
Christiania, Genl.	13,247	8,156	61.6	4,730	8,517	5,291	62.1	7,883		Merchants, Colo.	28,717	5,551	19.3	10,799	17,918	6,823	38	484	
City of N. Y.	862,862	296,765	34.3	310,387	552,473	221,423	39.8	59,521		Merchants, Ind.	3,660	1,752	47.8	...	...	...	...	...
Columbia, Ohio	25,229	11,549	45.8	-2,067	26,770	13,767	51.1	-8,269		Merchants, N. Y.	339,601	105,284	31	-952	340,553	92,978	27.2	21,316	
Columbia, N. J.	46,674	19,260	41.3	-2,067	48,741	18,780	38.5	-4,777		Merchants, R. I.	141,088	66,228	46.9	9,947	131,141	70,843	54	42,823	
Commerce, N. Y.	97,981	34,681	35.4	19,696	78,285	18,780	38.5	-4,777		Mercury	180,917	70,021	38.7	13,924	166,993	83,494	50	-49,302	
Coml. Un., Eng.	261,144	112,577	43.1	26,591	234,553	111,087	47.3	-40,534		Metropol. F. Re.	11,469	2,595	22.6	497	10,972	6,601	60.5	1,734	
Coml. Un., N. Y.	52,590	22,830	43.1	5,392	47,567	22,538	47.2	-8,220		Mich. F. & M.	85,818	33,742	39.3	5,518	80,300	39,405	49.1	-66,446	
Commonwealth	190,873	77,270	40.5	3,582	187,291	108,555	58	-42,866		Millers Natl. Ill.	253,091	98,289	38.8	39,283	213,808	99,442	46.5	18,048	
Concordia	68,014	23,895	35.1	-12,307	80,321	39,100	48.7	-11,002		Milw. Mech.	197,861	71,685	36.2	-14,637	212,498	97,751	46	-54,540	
Connecticut	210,916	74,930	35.5	9,009	201,907	108,311	53.9	-70,000		Monarch	497,238	225,230	52.7	17,323	409,935	230,129	56.1	63,739	
Continental	930,326	396,496	42.6	-74,119	1,004,445	460,217	45.9	-143,967		Natl. Am.	104,730	45,715	43.6	64,642	40,088	32,181	80.3	-3,610	
County	13,816	5,206	37.7	1,098	12,718	5,857	46	-4,001		Natl. Am. Neb.	68,014	23,895	35.1	-12,307	80,321	39,100	48.7	-11,002	
Detroit F. & M.	21,247	11,460	53.9	-16,869	38,116	17,507	46	-13,364		Natl. Cap. D. C.	25,771	7,630	29.6	515	25,256	9,216	36.4	2,635	
Dixie	12,614	5,777	42	-771	13,385	6,884	51.5	-3,635		National, Colo.	54,951	12,721	23.1	19,666	36,285	9,207	26.1	798	
Dubuque F. & M.	241,719	88,200	36.5	54,260	187,510	61,161	32.6	-48,332		National, Conn.	1,936,791	781,340	40.3	98,516	1,838,175	929,614	50.5	-381,252	
Eagle, N. J.	254,600	96,947	38	23,560	187,510	61,161	32.6	-48,332		Natl. Liberty	397,136	201,195	50.6	-13,210	410,346	210,446	51.2	-10,855	
Eagle, N. Y.	13,562	3,178	23.4	3,365	10,197	4,334	34.9	-4,131		Natl. Reserve	44,106	9,294	21	29,632	14,474	8,252	52.1	-8,906	
Eagle S. & B. D.	167,344	61,677	36.8	22,543	144,801	61,136	42.3	-1,086		Natl. Security	...	...	...	...	...	7,910	35.9	-76,122	
Emp. St., N. Y.	44,774	23,663	51.5	-7,406	52,180	31,641	60.7	-14,209		Natl. Union, Pa.	840,865	352,723	41.9	106,358	734,077	358,127	48.9	-18,575	
Employers	594,275	206,429	33.07	8,611	585,667	216,401	36.9	-55,791		Netherlands	51,570	29,902	57.9	-22,615	74,185	38,248	51.7	-15,875	
Equit. F. & M.	42,183	14,986	36	1,802	40,381	21,662	53.7	-15,857		Newark	196,695	73,803	37.5	-194	196,889	77,331	39.1	-19,208	
Eureka-Secur.	300,999	111,869	36.3	79,837	230,162	89,248	38.7	37,841		New Brunswick	...	...	...	...	...	...	...	...
Excelsior	19,708	8,196	42	7,892	11,816	2,862	24.2	3,058		New England	...	...	...	...	...	...	...	...

1934					1933					1934					1933				
Total	Net	Paid	Loss	Inc.	Total	Net	Paid	Loss	Inc.	Total	Net	Paid	Loss	Inc.	Total	Net	Paid	Loss	Inc.
Prem.	Losses	Ratio	or Dec.	in Prem.	Prem.	Losses	Ratio	or Dec.	in Prem.	Prem.	Losses	Ratio	or Dec.	in Prem.	Prem.	Losses	Ratio	or Dec.	in Prem.
	\$	%	\$	\$		\$	%	\$	\$		\$	%	\$	\$		\$	%	\$	\$
Old Dominion.....	507	221	43.5	—370	877	563	64.3	—1,668		Sentinel.....	21,471	8,436	39.2	1,393	20,078	9,851	49.2	—17,063	
Orient.....	108,531	37,369	34.4	—29,362	137,893	45,927	33.3	—5,035		Skandia.....	13,198	5,792	43.8	2,737	10,461	5,253	50.2	.....
Pacific Natl.....	51,931	23,417	45	—9,752	61,683	32,960	53.5	—31,397		Skandinavien.....	1,523	1,552	101.9	—158	1,681	1,188	70.5	320	
Pacific, N. Y.....	926,923	353,491	38.1	158,690	768,233	352,921	45.9	28,750		South Carolina.....	3,190	508	15.9	474	2,716	1,772	64.5	—383	
Palatine.....	82,178	35,422	43.1	8,368	73,810	34,963	46.7	—12,756		Southern, N. Y.....	297	252	84.8	1,458	—1,161	10,656	.....	.....
Patriotic.....	66,258	22,731	34.3	2,643	63,615	21,450	33.7	—27,671		Southern, N. C.....	27,630	8,007	28.9	5,791	21,839	8,253	37.8	2,849	
Pavonia.....	1,756	—53	...	2,039	—283	—29	...	.....		South, Home.....	21,316	4,371	20.5	8,779	12,537	8,053	64.2	.....
Pearl.....	427,413	220,872	51.6	103,275	324,138	67,277	20.7	318,505		Spr'gfield F. & M.....	730,089	286,811	39.2	47,442	682,647	334,944	49.1	—40,712	
Pennsylvania.....	382,026	151,659	39.6	28,790	353,236	153,247	43.4	—26,494		Standard, Conn.....	15,945	5,901	37	184	15,761	3,481	22.3	1,069	
Pa. Ind. F. Corp.....	106,881	69,784	36.5	—12,992	203,873	13,036	36.5	—102,201		Standard Mar.....	9,568	3,269	34.1	—6,387	15,955	6,576	41.1	5,648	
Pa. Mfrs. Assn.....	109,584	32,306	29.4	3,194	106,390	15,798	14.8	—19,269		Standard, N. Y.....	315,070	114,385	36.3	22,214	292,856	131,351	44.9	21,169	
Phila. F. & M.....	74,966	26,304	35	1,481	73,485	26,367	35.9	—20,077		Star.....	104,109	38,957	37.3	1,997	102,172	40,332	39.3	—34,828	
Phila. National.....	71,020	20,171	28.4	53,851	17,169	7,267	42.3	2,169		State Assur.....	—18	217	...	—213	195	12	6.7	.....
Phoenix, Conn.....	349,519	124,170	35.5	14,930	334,589	179,488	53.7	—131,387		Stuyvesant.....	—4,287	—	...	.....	5,616	.....	.....	.....
Phoenix, Eng.....	229,130	94,550	41.2	62,837	166,293	63,968	38.4	—33,598		Sun.....	343,681	128,568	37.4	7,237	336,444	177,277	52.7	—58,770	
Piedmont.....	17,228	6,177	35.8	4,092	13,136	5,774	43.8	4,689		Sun Und.....	55,232	24,418	44.1	—1,449	56,701	45,945	81	—54,186	
Pioneer Equit.....	420	.....	...	54	366	28	7.6	—411		Superior, Pa.....	68,914	23,895	35.1	7,094	60,920	24,438	40.2	—5,839	
Potomac.....	638,850	299,997	46.9	53,197	586,662	300,571	51.3	—16,079		Sussex, N. Y.....	—784	55,736	...	—122,695	123,479	86,189	69.8	—35,070	
Preferred Risk.....	1,018	1,093	107.2	—3,099	4,117	3,074	74.7	—2,804		Swiss Reins.....	18,643	6,145	32.9	16,823	1,820	5,587	306.8	—9,819	
Prov. Wash.....	480,258	175,146	36.4	55,259	424,999	183,164	43.1	—26,306		Texas National.....	12,042	527	4.3	.....	.....	.....	.....	.....
Prov., N. Y.....	18	91	...	—18	36	2	5.6	.....		Tokio M. & F.....	410,503	156,473	38.1	22,343	388,160	174,262	44.9	21,266	
Prudential, Eng.....	62,160	24,925	40	—14,046	76,206	37,039	48.7	—25,659		Transcontinental.....	66,404	26,789	40.3	3,381	63,023	31,872	50.6	—13,072	
Prudential, Okla.....	2,268	1,642	76.8	—2,386	4,654	1,241	27	1,531		Travelers Fire.....	1,396,566	382,559	27.3	29,252	1,367,314	458,173	33.6	—276,504	
Quak. C. F. & M.....	52,005	39,540	75.1	—39,989	92,594	51,474	55.5	—36,648		Twin City.....	4,068	1,542	37.9	35	4,033	1,957	48.5	—923	
Queen.....	407,091	152,200	37.3	4,268	402,833	157,712	39.3	—12,886		U. & Phen. Esp.....	12,724	7,776	61.1	3,681	9,043	5,074	56.1	2,545	
Queen City.....	6,015	2,183	36.4	270	5,745	2,345	40.8	—1,363		Union, Eng.....	67,569	29,126	43.1	6,880	60,689	28,750	47.3	—10,487	
Rel. Mar., Eng.....	4,549	2,269	49.8	—3,512	8,061	3,129	38.8	—2,614		Union, France.....	63,783	20,253	31.7	20,190	43,603	16,855	38.6	—7,309	
Reliance, Pa.....	133,552	34,429	21.2	123,460	10,092	4,823	47.8	—1,521		Union Natl., Neb.....	816	328	40.1	.....	.....	.....	.....	.....
Rhode Island.....	211,632	99,352	46.9	23,264	188,378	113,051	60.1	52,224		U. Mar. & Genl.....	25,438	10,505	41.2	—13,755	39,213	18,201	46.4	—11,516	
Richmond.....	8,738	1,017	11.6	—1,125	9,863	14,509	147.4	—19,274		United Firemen.....	63,647	26,264	41.2	—2,818	66,465	25,607	38.6	—11,560	
Rochester Am.....	30,781	9,889	32.1	11,685	19,096	8,821	46.2	—6,820		U. S. Fire.....	294,918	131,155	44.4	—15,437	310,355	133,794	43.1	—34,510	
Rocky Mountain.....	19,925	2,315	11.6	18,801	1,124	28	2.4	—241		Universal, N. J.....	339,485	112,944	33.2	70,455	269,029	185,260	68.8	—146,431	
Rossia.....	18,067	3,112	23.8	1,694	11,373	9,317	81.9	—8,332		Urbaine.....	15,488	6,070	39.1	—1,227	16,715	12,229	73.2	1,503	
Royal.....	539,123	201,621	37.3	11,082	528,041	208,737	39.5	—59,038		Utah Home.....	11,778	4,763	40.4	194	11,584	4,970	42.9	—1,691	
Royal Exch.....	138,373	47,286	34.1	418	137,955	49,672	36	—18,426		Virginia F. & M.....	787	1,123	142.8	—1,069	1,856	2,130	114.8	1,127	
Safeguard.....	55,354	19,478	35.1	17,260	38,094	16,784	43.1	—1,302		Wash. Assur.....	68,406	18,547	27.1	—7,298	75,654	25,094	33.2	—28,829	
St. Louis F. & M.....	75,069	20,453	27.2	40,636	34,433	11,514	33.4	—13,328		Westchester.....	402,756	173,402	43	5,022	397,734	189,719	47.8	—32,696	
St. Paul F. & M.....	3,019,763	1,020,828	33.8	1,044,371	1,975,392	824,724	42.1	—162,289		Western & South.....	86,338	26,391	30.5	10,300	76,058	30,236	39.8	2,672	
Scot. U. & Natl.....	204,182	70,036	34.3	17,698	186,484	92,311	49.5	—57,240		Western, Canada.....	40,737	20,658	50.7	—7,897	48,634	22,146	47.5	—18,757	
Sea.....	74,914	27,815	37.1	—5,276	80,190	34,918	43.1	—3,819		Western, Kan.....	304,833	155,472	51	—20,762	284,071	136,975	48.1	37,926	
Seaboard F. & M.....	25,072	13,776	54.9	—12,326	37,398	24,768	66.2	—24,851		World F. & M.....	67,046	26,046	38.8	15,584	51,462	23,398	45.4	—22,644	
Seaboard, Md.....	—51	—	...	—2,088	—	4,237	...	.....		Yorkshire.....	239,220	83,379	35	48,464	190,756	85,475	44.7	—45,924	
Security, Conn.....	225,255	99,865	44.3	—15,546	240,801	99,367	41.2	—20,067		Zurich Fire.....	257,206	88,619	34.4	260	256,946	119,719	46.5	—94,049	
Security, Iowa.....	16,332	3,748	22.9	—1,827	18,159	9,869	54.3	—1,074											
Sel. Risks, N. J.....	20,636	3,297	15.9	2,213	18,423	1,670	9.1	3,149											
										Total.....	79,098,183	31,126,729	39.4	13,669,880	65,428,303	28,791,024	44.0	—8,354,207	

1910 ANNIVERSARY 1935 TWENTY FIVE YEARS CONTINUOUS SERVICE

THE WESTERN FIRE INSURANCE COMPANY THE WESTERN CASUALTY & SURETY COMPANY

CONDENSED STATEMENT AS OF DECEMBER 31, 1934

ASSETS

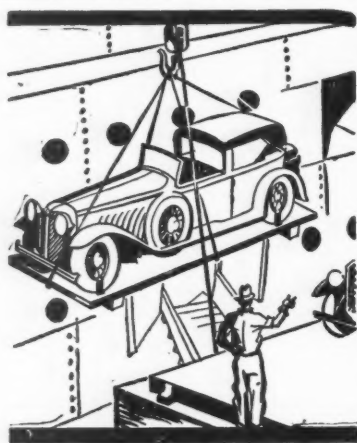
	Fire Co.	Casualty Co.	Combined
Government Bonds.....	\$ 128,712.18	\$ 337,399.07	\$ 466,111.25
Municipal Bonds.....	275,723.83	509,997.37	785,721.20
Other Stocks and Bonds.....	437,328.96	1,399,536.79	1,836,865.75
Real Estate Mortgages.....	182,842.85	.....	182,842.85
Accrued Interest.....	12,417.47	20,738.23	33,155.70
Cash.....	175,625.41	419,506.19	595,131.60
Premiums in Course of Collection.....	80,664.69	601,820.73	682,485.42
Other Assets.....	31,790.01	2,412.52	34,202.53
	\$1,325,105.40	\$3,291,410.90	\$4,616,516.30
LIABILITIES			
Reserves for Losses.....	\$ 61,254.96	\$1,076,769.40	\$1,138,024.36
Reserves for Unearned Premiums.....	328,043.45	1,070,087.33	1,398,130.78
Reserves for Commissions.....	.....	137,198.03	137,198.03
Reserves for Taxes and Expenses.....	18,240.86	49,457.51	67,098.37
Other Liabilities.....	32,041.23	.....	32,041.23
Capital.....	500,000.00	750,000.00	1,250,000.00
Surplus.....	385,524.90	207,898.63	593,423.53
	\$1,325,105.40	\$3,291,410.90	\$4,616,516.30

HOME OFFICE: FORT SCOTT, KANSAS

KANSAS CITY, MO.
916 Walnut Street

CHICAGO, ILL.
A-1338 Insurance Exchange





...for the PROTECTION of American Motorists abroad

Full-coverage insurance of American-owned automobiles abroad is one of the many facilities provided by the A. I. U. insurance services, for the protection of American properties in the foreign field . . . and the first of its kind to be issued by American Insurance Companies worldwide.

American policies covering all risks and a wide spread net-work of resident agents, organized throughout practically every country in the world, are among the many conveniences provided with these policies.

BROKERS: Write or call for complete information of the low-cost premiums and comprehensive clauses included in this essential protection.

... AMERICAN ... INTERNATIONAL UNDERWRITERS CORPORATION

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JOHN 4-4245

A complete unit for protection that encircles the globe—complete facilities for handling fire and allied lines of insurance for

AMERICAN-OWNED
FOREIGN PROPERTIES

Slumming Is Recommended

(CONTINUED FROM PAGE 4)

sons, with whom he may think he is not acquainted, is demeaning. He may regard such solicitation as nearer the level of the vacuum cleaner man.

But the companies that are building up a large volume of automobile business and may be regarded by the agent as "upstart institutions" are not held back by any such inhibitions nor are the men who work for them. Some of this solicitation has been decidedly undignified and it is not suggested that the ordinary agent turn into a hard-boiled, alley peddler, giving high pressure treatment to anyone he can collar with a "Hey, mister" approach.

May Be Good Idea for Agent to Go Slumming

But it might not be a bad idea for the agent to come down a rung or two on the ladder and do a bit of "slumming," if that is how he regards systematic solicitation of unknowns. As a matter of fact, the agent can live a Dr. Jekyll and Mr. Hyde existence if he desires. As one politician characterized another: "He plays with the lily-whites in the daytime and the hooligans at night." The agent can reserve much of his time for dignified indirect selling and then slip out when no one is looking to beat the bushes.

As was indicated, the first step in broadening the circle is to develop and keep accumulating a list of qualified prospects. This should be a real list and not just merely an assortment of names from Aab to Zelynyck. In building the list, resourcefulness must be used. Replies to direct by mail solicitation and followup will produce some names, and expiration information. Some of the people who sell lists will sell an agent the list of those in his town who bought automobiles a year ago, they getting the information from the state house. That should be valuable, because many of these motorists are carrying their fire and theft insurance through the finance companies and if they carry third party coverages elsewhere, the agent has an opportunity at least to write the fire and theft. However, in any circularization, the agent should not send out more dodgers than the replies to which he can follow up the following week. The agent can get leads by cultivating garagemen and automobile dealers.

Referred Prospect Plan Should Be Utilized

One of the most productive systems for life insurance is known as the "referred prospect" system. The life insurance agent asks the man whom he interviews to suggest a friend or friends who need insurance. There seems to be no reason why the agent in soliciting automobile insurance could not use the same method very effectively. In his calls he should ask the prospect for names of friends who have just bought new cars, are contemplating the purchase of new cars, or do not carry insurance. That is an endless chain method if properly pursued. The testimony of thousands of life insurance agents is that the system does work. Why not give it a try in automobile insurance?

Probably the liveliest batch of names in any prospect list will be the former policyholders of the agent, who dropped their insurance within the last three or four years. The universal testimony is that solicitation of this list is bringing real results today. Canvassing of old policyholders is paying dividends. People are better off. The affairs of a good many who dropped their insurance are definitely improved and they can be sold. The agent runs into a certain amount of resistance, from those who have been without insurance for three or four years and have met with no accident. However, the thinking person can be convinced that if everyone had an accident every year or two there could be no insurance at all. Liability rates are based on the theory that a

motorist will cause a claim only once in 20 years. A good many of these people who dropped their insurance were forced to curtail their driving greatly during the depression. They would buy gasoline two or three gallons at a time and use the car very sparingly. Now, if they are in funds, they are likely to be planning a trip. They should be impressed with the fact that in leaving their environs they will be subjected to extra hazards and should be protected.

Old Policyholders Basis of Referred Prospecting

These old policyholders might also be used as the starting point for the "referred prospect" system. The agent is likely to be on an easy basis with these old policyholders. It should not be embarrassing at all to ask them for names of friends who have just bought new cars, who are thinking of buying new ones, or who may have dropped their insurance but are now in improved circumstances. An agent probably could not do better than to start right at this point. That should be a real foundation.

The sale of automobile insurance to unknowns is largely a matter of prospecting. Just to be convincing, we would be precise and say that it is 75 percent a matter of prospecting. If the agent has energy enough to do some real prospecting, he has enough energy to work his list so that energy, gumption, and prospecting go hand in hand.

As a matter of fact, if the agent will embark on such a plan, it may result in revolutionizing his business and bring new life into his office. It will extend his circle, which has probably been shrinking during the depression. This would seem to be the year to embark on the plan. During the years when there were nothing but minus signs, such a program of development would probably have been negative in its re-

sults but this year is different. It promises to be one of the greatest years on record for the automobile business and it is a year of plus signs in all directions. The agent should put himself in the current and take advantage of the trend.

One of the most important factors in any plan is to establish a definite goal. The agent should fix a minimum number of real prospects to be added to his list each week; he should fix for himself a certain number of interviews to be conducted and by interviews is meant a real attempt to sell or get expiration information from a real prospect; and he should establish a quota of a certain number of sales each week. Probably at first his quota of sales should be lower than as the plan is developed. For the first few weeks the results will be more in the direction of getting expiration information than actually completing sales. Just what these various quotas should be, we would not undertake to say. It will depend upon the nature of the agent's territory, the amount of time he feels he can spend for such production effort, etc., but no matter how ambitiously an agent embarks on a plan, he should set very definite quotas and should not rest easily over the week-end if he has not performed what he prescribed for himself. Self-regimentation is vital.

We doubt that the agent should be too competitively minded in working his plan. If he finds that a prospect is completely insured in a good company, his most effective technique is to congratulate the man on his judgment, get the expiration information if possible, without making too much of an issue of it, for future reference, and then ask the man for names of friends who may be prospects. The opportunity might present itself to talk accident and health insurance or to suggest an automobile accident policy.

It would be futile, we think, to slow the plan down by undertaking to dislodge existing insurance unless the agent feels that the carrying company is decidedly inferior and unworthy. The

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That is of inestimable value to agents and producers.

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MASSACHUSETTS BONDING and INSURANCE COMPANY

T. J. FALVEY, President

Home Office: BOSTON

Surety Bonds and Casualty Insurance

SOUNDLY PROGRESSIVE FOR OVER A QUARTER OF A CENTURY



"No insurance! Gosh, that's tough!"—Kablegram.

agent is likely to alienate himself, as a knocker, if he follows a competitive tack, in his early contact with persons previously unknown to him. There are plenty of real prospects uninsured, or inadequately insured.

It would be silly to be dogmatic in laying down a program for systematic solicitation of automobile insurance. Much depends upon the size and character of the locality and the agent's own talent. An agent would make a mistake to proceed to make a big investment in such a campaign. He should feel his way, proceed to a large extent by the trial and error method, but not get in too deep during the experimental stages.

One automobile specialist sunk \$2,500 in a scheme that produced miserable results. He is located in one of the large cities. He purchased a list, opened two offices, staffed them with solicitors, and started circularizing. Altogether in 1933 he sent mailings to 30,000 motorists and had solicitors follow up immediately whether replies were received to the mailings or not. He obtained only 91 replies, many of which were from cranks. Of these 91 replies he sold 13 policies. The results of the follow-up of those who did not reply were also extremely disappointing.

Now he has gotten rid of all his solicitors, has written off the investment, and is depending on personal solicitation.

He thinks that circularization is decidedly the bunk. He would kill the ardor of any agent who decided to try a system.

There may be several lessons to learn from this man's experience. For one thing he probably started out on too ambitious a scale. He was risking too much.

In the second place, the solicitors that he put on were of the high pressure, case hardened type.

For another thing, his campaign was started in 1933, which was a year of some recovery, but not outstandingly so.

Then his experience may prove that it is not feasible for an agent in a very large city to engage in an extensive circularization and telephone production campaign.

Territory Must First Be Intelligently Appraised

The agent, who makes up his mind to engage in a real automobile production campaign, must appraise his territory and gauge his efforts accordingly. The size of the town makes a great deal of difference. In places up to 50,000 population, an agent would likely get profitable results by undertaking to cover the territory completely and systematically. He could stake out the city into districts, put on solicitors, get a list of the car owners in the town, circularize them, call them by telephone to make appointments, and cause the solicitors to follow up all leads promptly.

The agent in a larger city must proceed more conservatively. He can extend his influence but he cannot undertake to blanket the town or any considerable portion of it. Probably there is no better starting point for the individual agent in a large city in getting a

prospect list than his own policyholders and former policyholders. The agent or broker in a big city has a live list of prospects in his own files. They are prospects not only for automobile insurance themselves, but they are valuable as sources of names of new prospects.

An agent should not discard the idea of a systematic program of automobile solicitation on the theory that his particular community is not susceptible to such cultivation. He should decide that it is worthwhile to go after the business systematically, that he is actually going to do it and then determine the most effective method under the circumstances, the best method of reaching the motorist in his particular community. No matter where the agent is located, except at Bermuda or on Mackinac Island, there are automobiles, and 75 percent of them are uninsured and a good many of them are inadequately or improperly insured. Once the agent has determined that it is worthwhile to go after this business, and is determined to go after it, the only question remains as to the most effective method. The system may vary according to population but no matter what the population there is a system that will work.

Complete Insurance Answer to the Price Competition

(CONTINUED FROM PAGE 5)

in a position to offer a program, embodying the comprehensive coverage of the fire companies and the comprehensive liability coverages. He should emphasize the emergency service contract which sells for \$3 and indemnifies the assured for expense for emergency service whether the car is on the premises or not. He should by all means emphasize the drive other car feature. It is really surprising that the agents have overlooked the sales opportunity in the drive other car endorsement. Before starting out on an automobile production campaign, the agent should first be sure that his own policy carries this endorsement. It should be presented as a standard proposition. Practically every one that drives a car has frequent occasion to drive an automobile other than his own. Perhaps he is at a party. There is need to go to the store for some supplies. His own car is blocked in the drive way. The host tells him to jump in his car. He does so, there is an accident, the host is without insurance and the motorist who is insured while driving his own car, is stuck.

The agent in presenting the comprehensive coverage, should undertake to make the prospect dissatisfied and disturbed about his restricted coverage. The agent should have at his finger tips graphic examples of occurrences that might happen that would not be covered under the restricted form. He should not stop with one or two examples. He should be ready with a dozen or more, getting the prospect in a more and more disturbed frame of mind.

The question of whether or not to use the telephone in connection with a systematic plan of automobile solicitation will come up. It seems to us that the telephone might be utilized to a certain extent, in making appointments and getting expiration information if the campaign is centered in the solicitation of comprehensive coverage.

Advisability of Using Telephone in Campaign

Some of the direct writers say that they have had very good results from use of the telephone. They say that a surprisingly large number of people are willing to divulge expiration information. A good many are willing to make appointments for salesmen.

The only way for the agent to find out whether he can use the telephone effectively on a list of unknowns is to try it.

The essence of success in use of the telephone seems to be the presentation of some exceptional feature either in the way of coverage or rate. That is, something is needed to offer as an ex-

cuse for calling the motorist by phone and asking for an appointment, or expiration information.

Here is a suggestion for the opening telephone approach, based on the comprehensive coverage:

"Mr. Jones, this is George H. Smith of the Georgetown Insurance Agency. I am taking the liberty of calling you, because I have become very enthusiastic in a new form of insurance, which has just been made available, which will make good to you physical loss or damage to your Studebaker from any cause whatsoever. The cost to you would only be about \$2 more than the restricted coverage and is a guaranty in case of loss there will be no argument. I am convinced that within a very few years this is the type of insurance that will be universally sold and I would like to have the opportunity of introducing it to you. As a matter of fact, I am so convinced of the importance of this insurance, that our agency is making a systematic sale of it to motorists throughout the city and we have employed a group of men who are specialists in automobile insurance, who know the new policy forwards and backwards and are spending their entire time in presenting it. I want you to expose yourself to it by permitting Mr. Wood of our office to call on you. Just tell me what will be a convenient time, and it will be a date."

That is merely a suggestion for breaking the ice. If the calls are being made by a person of some position in the office, who knows the business and is resourceful, he can take care of the conversation and after making a number of calls, he will gradually learn to handle the various situations as they arise. If the calls are being made by clerks, however, they will have to be drilled more precisely in just what to say. The idea should be to make an appointment or get expiration information. If the prospect responds that he carries fire and theft insurance, the telephonist might say:

"We are not trying to disturb existing insurance, although we do feel that this offers one of the rare opportunities for motorists to substitute one policy for another. We will not urge you to do so, however, but we still want Mr. Wood to see you and tell you more about this complete coverage, so that you will be in a position to buy your insurance more intelligently in the future."

People are buying more expensive cars these days. They are asking for the deluxe models which cost \$100 or \$200 more. In the depression they were buying transportation only. Now they want some of the gadgets. If they can afford \$100 for their automobiles they can afford \$10 more for complete protection in their insurance.



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Address

City and State

Stock Casualty Business Experienced Little Change Last Year

STOCK casualty automobile premiums totaled \$213,938,570 in 1934, a decrease of \$647,708 or a fraction of 1 percent from the 1933 total of \$214,586,278. Losses totaled \$110,913,839 in 1934, with a loss ratio of 51.8 percent, compared to \$109,295,393 and 50.9 percent in 1933, and \$130,731,739 and 54.7 percent in 1932.

The comparative grand totals for 1934 and 1933 were affected by the failure of the Consolidated Indemnity which in 1933 had net premiums of \$4,208,115. The continuing companies, as a whole, made a gain of \$3,482,313 over 1933.

Stock casualty automobile liability premiums totaled \$163,541,127 and losses \$93,068,188 in 1934, or 57 percent loss ratio, the same as in 1933. Property damage premiums decreased from \$47,430,577 in 1933 to \$46,122,470 in 1934. The losses last year totaled \$15,653,932, or 34 percent compared with 32 percent in 1933. Collision premiums totaled \$4,246,187 and the losses were \$2,189,966, a ratio of 52 percent. The experience on collision was more satisfactory in 1933 when the loss ratio was 47 percent. Losses in the past, however,

TEN AUTO STOCK CASUALTY LEADERS

	1934 Net Premiums	1934 Paid Losses	1933 Net Premiums	1933 Paid Losses	Inc. or Dec. in Premiums	% Inc. or Dec.
1. Travelers	\$15,110,548	\$7,290,308	\$14,384,925	\$7,252,623	+\$725,623	+5.
Travelers Indem.	5,644,115	1,999,604	5,492,771	1,511,344	+151,344	+2.8
2. Hartford Accident ..	11,315,630	6,332,230	11,144,746	6,170,884	+170,884	+1.5
3. Employers Liab.	10,909,226	6,070,393	11,281,909	6,372,683	-\$372,683	-3.3
American Employ.	2,317,444	1,374,112	2,198,028	1,119,416	+119,416	+5.5
4. General Accident	10,145,811	4,514,425	9,722,063	4,233,748	+423,748	+4.4
5. U. S. F. & G.	8,260,498	4,906,980	8,014,676	4,245,822	+245,822	+3.1
6. American Auto.	7,589,619	3,445,956	7,166,277	4,233,342	+423,342	+5.9
7. Aetna Casualty	7,427,393	2,858,508	6,867,637	4,559,756	+559,756	+8.2
Aetna Life	5,559,490	3,544,812	6,353,328	7,933,838	-793,838	-12.5
8. Fidelity & Cas.	6,851,943	3,780,608	6,838,133	13,809	+13,809	+2
9. Maryland Casualty ..	6,717,962	3,630,851	5,777,322	940,640	+940,640	+16.3
10. Globe Indemnity ..	6,268,600	3,405,732	6,538,665	270,066	-270,066	-4.5
Royal Indemnity	5,158,212	2,650,935	5,269,036	110,824	-110,824	-2.1
Eagle Indemnity	1,354,981	854,190	1,519,835	164,854	-164,854	-10.1

have been considerably higher, reaching 57 percent in 1932 and 61 in 1931.

The Travelers again led the automobile stock casualty companies in automobile premiums with \$15,110,548, com-

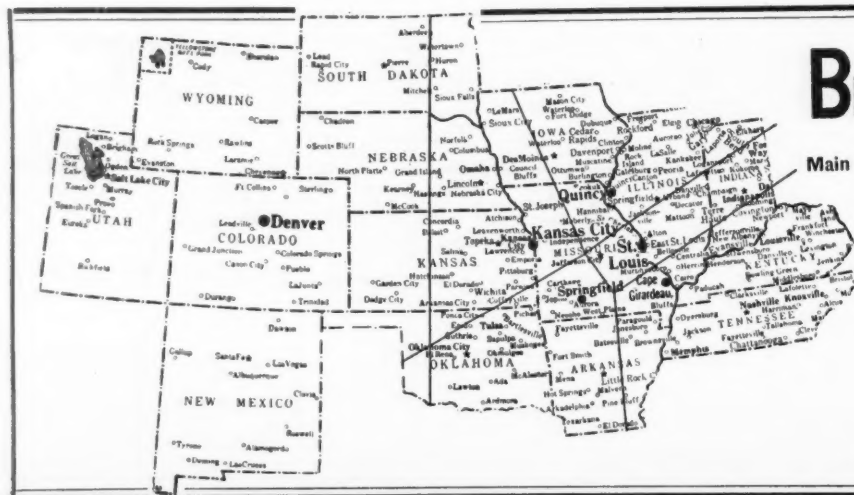
pared with \$14,384,925 in 1933, or 5 percent increase. The Travelers and Travelers Indemnity together wrote \$20,754,663 in premiums. The Hartford Accident went up to second place with

\$11,315,630 in premiums, 1.5 percent gain over the 1933 total of \$11,144,746. The Employers Liability was in third place with \$10,909,226, a 3.3 percent decrease from the 1933 total of \$11,281,909. The Employers and the American Employers together had \$13,226,662 in premiums. The General Accident again came fourth with \$10,145,811, a 4.4 percent increase over the 1933 total of \$9,722,063. The United States Fidelity & Guaranty with \$8,260,498 came fifth with 3.1 percent increase. The American Automobile showed a 5.9 percent gain with \$7,589,619 total. The Aetna Casualty was seventh with \$7,427,393, an 8.2 percent gain. The Aetna Casualty and Aetna Life together wrote \$12,986,893. The Fidelity & Casualty ranked eighth with \$6,851,943 and made a slight gain over 1933. The Maryland Casualty came up among the leaders and ranked ninth with \$6,717,962, a gain of 16.3 percent or \$940,640 for 1933. The Globe Indemnity ranked tenth with \$6,268,600, a 4.5 percent decrease. The Globe Indemnity and its companion companies, Royal Indemnity and Eagle Indemnity, wrote a total of \$12,781,793.

Automobile Premiums and Losses of Stock Casualty Companies

	1934						1933						1932						
	Total			Inc. or Dec. in Prems.	Liability			Property Damage			Collision			Total			Total		
	Net Prems.	Paid Losses	Loss Ratio		Net Prems.	Paid Losses		Net Prems.	Paid Losses		Net Prems.	Paid Losses		Net Prems.	Paid Losses	Loss Ratio	Net Prems.	Paid Losses	Loss Ratio
	\$	\$	%		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	\$	\$	%
Aetna Cas.	7,427,393	2,858,508	38.4	559,756	4,010,443	1,648,049	2,893,783	956,861	533,167	253,598	6,867,637	2,705,855	39.5	-634,102	7,501,739	3,469,432	46.2		
Aetna Life	5,559,490	3,544,812	63.7	-793,838	5,559,490	3,544,812					6,353,328	3,468,577	54.4	-329,393	6,682,721	3,820,222	57.2		
American Auto	7,589,619	3,445,956	45.4	423,342	5,730,841	2,832,309	1,845,765	609,868	13,013	3,779	7,166,277	3,243,588	45.3	1,896,174	5,270,103	3,531,566	67		
Amer. Cas.	825,747	578,700	70	-39,751	602,993	493,978	213,348	78,008	9,406	6,584	865,498	572,253	66	-201,888	1,067,386	675,034	63.3		
Amer. Employ.	2,317,444	1,374,112	59.2	119,416	1,738,238	1,173,208	544,409	180,158	34,797	20,746	2,198,028	1,256,204	57.2	-412,294	2,610,322	1,496,150	57.4		
Amer. Fidelity	159,983	74,532	46	-7,416	105,644	58,230	48,893	14,855	5,233	1,445	167,399	83,611	50	-4,549	171,781	75,431	43.9		
Amer. Motorists	3,517,860	1,442,778	41	616,801	2,695,592	1,226,318	774,720	191,283	47,548	25,177	2,901,059	1,186,293	40.8	80,106	2,820,953	1,284,700	45.5		
Amer. Policyholders ..	875,506	249,500	28.4	532,673	627,604	174,104	239,427	72,246	8,475	3,160	342,833	84,945	24.6	87,200	255,633	102,269	40.2		
Amer. Reins.	515,697	229,678	44.5	59,796	505,478	228,521	10,206	1,157	13		455,001	174,435	38.2	144,163	311,738	382,979	123.2		
Amer. Surety	1,031,774	472,688	45.8	18,700	773,617	384,558	247,057	80,807	11,100	7,323	1,013,674	465,392	46	147,471	865,603	343,095	39.6		
Assoc. Indem.	1,153,461	634,718	55	-145,517	776,673	468,960	270,401	109,550	103,552	55,226	1,298,978	930,147	71.7	-346,426	1,645,404	920,000	55.9		
Atlantic, Tex.	183,958	56,172	30.5	60,992	134,752	39,102	46,351	14,214	2,855	2,856	129,966	20,692	15.6	63,699	60,267	2,662	3.8		
Bankers Indem.	1,559,659	1,158,122	74.2	-344,564	1,193,483	999,428	347,491	148,711	18,685	9,983	1,142,948	60	-493,879	2,398,102	1,038,270	43.3			
Car & General.	967,711	545,209	56.3	-102,903	722,915	453,743	229,885	84,376	11,911	7,091	1,070,614	485,712	45.3	185,165	885,462	472,814	53.4		
Central Surety	1,864,578	1,247,983	66.9	-217,141	1,564,807	1,090,415	274,482	145,868	55,289	11,700	2,081,719	1,076,531	51.2	176,171	1,905,548	1,096,195	57.5		
Century Indem.	2,653,298	1,589,792	59.9	3,039	2,023,164	1,385,726	602,373	189,637	27,761	14,429	2,650,259	1,196,425	45.1	611,138	2,039,121	1,239,258	60.8		
Citizens Casualty	770,072	751,370	97.4	-262,104	599,973	643,100	166,262	100,656	3,837	7,620	1,032,176	588,874	56.9	14,510	1,017,666	377,156	37.1		
Columbia Cas.	-131	43,285			99	42,858	-207	1,137	-23	-711	-185	148,276			-584,111	357,503			
Commercial Cas.	2,010,324	1,533,398	76.2	-611,898	1,610,502	1,340,721	383,290	177,981	16,532	14,696	2,622,222	1,719,782	65.5	-559,329	3,481,551	2,259,490	48.4		
Conn. Indem.	253,126	90,818	35.8	59,750	190,920	76,466	65,206	14,352			193,376	83,176	42.5	47,270	146,107	16,458	11.2		
Continental Cas.	4,153,884	1,793,016	43.1	374,339	3,118,570	1,445,936	977,922	316,924	57,392	30,156	3,779,545	1,531,334	40.5	211,510	3,568,035	1,768,330	49.6		
Eagle Indem.	1,354,981	854,190	63	-164,854	1,046,064	740,321	290,758	108,702	18,159	5,826	1,519,835	641,084	42.2	99,892	1,419,943	828,829	58.3		
Employers Liab.	10,909,226	6,070,393	55.6	-372,683	8,246,108	5,161,589	2,445,039	828,417	218,079	90,387	11,281,909	5,562,387	49.3	62,543	11,219,368	5,167,742	45.7		
Employers Reins.	3,732,559	1,453,621	38.9	1,104,949	3,374,980	1,351,806	320,459	88,114	37,130	13,701	2,827,610	1,542,383	58.6	-926,698	3,534,308	1,602,539	45.1		
Eureka Cas.	430,333	99,339	23	231,880	317,156	63,327	111,010	33,538	2,167	2,524	198,453	19,817	9.6	197,997	456	-100			
Europ. Gen'l Re.	3,210,582	1,011,605	31.5	1,029,338	3,168,864	996,650	40,407	13,173	1,311	1,782	2,181,245	718,582	32.9	407,910	1,773,335	1,372,832	77.4		
Excess, N. Y.	1,896,790	813,025	43	-46,198	1,587,628	707,897	303,336	100,981	5,826	4,147	1,945,988	652,619	33.5	504,107	1,438,881	475,725	33.1		
Fidelity & Cas.	6,851,943	3,780,608	55.1	13,809	5,135,687	3,183,351	1,624,056	553,933	92,300	43,324	6,838,133	4,077,871	59.7	-903,395	7,741,528	5,041,348	65.1		
Fireman's Fund Ind.	1,631,829	606,401	37.1	158,339	1,233,665	474,626	369,014	113,634	29,133	18,141	1,473,490	400,544	27.1	415,193	1,058,297	323,036	30.6		
First Reins.	257,995	145,166	56.2	49,514	256,540	142,563	1,545	2,606			208,481	146,780	70.2	-162,832	371,313	400,628	108		
General Acc.	10,145,811	4,514,425	44.4	423,748	7,803,862	3,696,635	2,150,982	729,159	190,967	88,631	9,722,063	4,375,534	45.1	246,395	9,475,668	4,662,382	49.2		
Gen'l Cas. Wash.	1,479,807	682,303	46.1	236,793	1,084,468	563,707	384,776	114,879	410		1,243,014	438,554	35.2	233,300	1,009,684	489,225	48.5		
General Reins.	1,115,709	649,464	58	57,599	1,104,087	646,715	11,451	2,067	771	682	1,058,110	672,413	63.5	-745,032	1,803,142	606,786	33.6		
Glens Falls Indem.	2,627,569	1,432,558	58.3	-144,499	1,964,388	1,204,486	609,580	196,338	53,601	31,684	2,772,068	1,595,336	52.6	-680,093	3,452,161	1,688,451	48.9		
Globe Indem.	6,268,600	3,405,732	54.3	-270,066	4,763,485	2,844,727	1,357,146	483,068	157,969	77,937	6,538,665	3,254,861	49.9	-215,606	6,754,271	3,985,201	59		

(CONTINUED ON NEXT PAGE)



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	1934					1933					1932				
	Total	Net	Paid	Loss	Inc. or Dec.	Total	Net	Paid	Loss	Inc. or Dec.	Total	Net	Paid	Loss	Inc. or Dec.
	Prem.	Prem.	Losses	Ratio	In Prem.	Prem.	Prem.	Losses	Ratio	In Prem.	Prem.	Prem.	Losses	Ratio	In Prem.
Great Lakes Cas...	147,733	29,171	19.7	43,057	100,204	19,960	42,684	7,949	4,845	1,262	104,676	3,711	3.6	104,676	.....
Great Amer. Indem.	3,197,069	1,452,211	45.4	277,004	2,412,934	1,196,795	755,824	245,071	28,311	10,345	2,920,065	1,245,537	42.6	198,156	2,721,909
Hartford Acci.	11,315,630	6,332,230	55	170,884	8,454,396	5,293,224	2,556,985	872,602	304,249	166,404	11,144,746	6,226,401	55.8	-1,123	11,146,869
Home Indem.	1,066,132	726,622	68.1	-94,946	821,059	647,661	244,380	79,158	603	-197	1,161,078	1,058,787	91	-982,700	2,143,778
Indem. No. Amer.	4,533,340	2,696,893	59.4	-724,536	3,415,091	2,275,228	1,065,760	391,908	52,489	29,757	5,257,876	2,657,261	50.5	616,062	4,641,814
Inland Cas.	7,414	1,771	23.8	2,151	1,095,646	548,565	360,634	130,027	54,974	24,906	1,571,625	727,501	46.3	-463,699	2,035,324
Keystone Auto. Club	1,511,254	703,498	46.5	-60,371	1,135,174	656,850	327,524	105,086	21,610	9,784	1,347,836	815,847	60.5	-175,783	1,523,619
London & Lanc.	1,484,308	771,720	51.9	136,472	2,135,772	1,463,111	669,172	242,655	47,172	24,782	2,922,588	1,492,344	51	-113,009	3,035,597
London Guar.	2,852,116	1,730,548	60.6	-70,472	3,465	21,297	18,881	1,434	1,222	44,211	19,147	43.3	-1,209	45,420	1,390,517
Maine Cas.	54,780	28,240	51.5	10,569	34,465	21,297	18,881	1,434	1,222	44,211	19,147	43.3	-1,209	45,420	12,611
Mfrs. Cas., Pa.	1,395,005	406,879	29.1	545,293	1,037,982	308,426	332,101	86,227	24,923	12,226	849,713	250,743	29.6	43,835	805,878
Maryland Cas.	6,717,962	3,630,851	54	940,640	4,977,782	2,938,282	1,611,184	587,250	128,996	105,319	5,777,322	3,705,405	64.3	-2,257,250	8,034,572
Mass. Bonding	4,310,573	2,185,542	50.7	279,314	3,342,023	1,861,810	949,734	311,112	18,816	12,620	4,031,279	2,019,825	50	689,153	3,342,106
Merch. Indem.	528,685	216,970	40.9	-46,693	528,685	216,970	.....	.....	.....	.....	575,383	165,694	29.3	119,095	446,438
Metropolitan Cas.	2,190,266	1,491,228	68	-318,226	1,770,562	1,311,302	401,893	166,832	17,811	13,094	2,508,492	1,505,778	60	-795,839	3,304,331
Motor Cas., Pa.	4,852,090	2,459,713	71.3	-294,468	3,729,325	3,004,610	1,070,064	427,529	52,701	27,574	5,146,558	2,647,646	51.5	102,009	5,044,549
New Amsterdam	335,420	124,853	37.4	64,039	248,272	101,331	80,959	22,472	4,189	1,050	269,381	121,885	45.2	-38,025	307,406
National Cas.	150,621	82,362	54.6	19,648	61,612	49,961	61,618	13,129	27,391	19,272	130,973	62,553	47.8	-23,305	154,278
N. J. Mfrs. Cas.	537,525	457,319	85	54,556	537,525	457,319	.....	.....	.....	.....	482,969	497,231	103.1	-143,684	626,653
N. Y. Casualty	871,321	653,133	74.9	6,440	676,718	573,700	183,985	73,269	10,618	6,164	864,881	700,545	81.1	-230,065	1,094,946
Northw. Natl. Cas.	495,905	194,434	39.2	36,237	347,138	152,881	142,762	38,386	5,379	2,815	459,668	194,883	42.4	53,213	406,455
Norwich Union	1,151,439	766,330	66.5	-361,935	885,819	644,130	241,094	108,551	24,526	13,649	1,513,374	811,867	52.5	94,670	1,418,704
Occidental Indem.	632,942	309,923	48.9	-26,785	590,073	301,172	42,869	8,751	.....	.....	659,727	303,051	46	-56,948	716,675
Ocean Acci.	3,953,148	1,894,686	47.6	-183,450	2,954,333	1,519,399	936,700	339,671	62,115	35,616	4,136,598	1,784,430	43.2	-193,481	4,330,079
Ohio Farm Indem.	543,514	371,351	68.3	60,039	386,511	308,258	151,158	58,976	2,057	2,094	483,475	249,738	51.6	-57,071	540,515
Peerless Cas.	93,131	24,957	26.7	-1,546	75,448	21,479	17,394	3,369	289	109	94,777	38,522	40.7	-3,107	97,784
Pa. Casualty	85,992	61,669	71.7	-136,269	59,905	56,446	26,087	6,223	.....	.....	222,261	39,597	17.7	6,800	215,461
Pa. Indem.	1,562,586	649,766	41.5	-4,951	1,151,557	511,026	411,029	139,910	.....	-170	1,567,537	760,349	48.5	-480,707	2,048,244
Pa. Mfrs. Assn. Cas.	1,245,249	482,744	38.8	109,737	826,543	327,912	319,147	118,705	99,559	37,127	1,135,512	414,120	36.4	-48,393	1,183,905
Phoenix Indem.	1,328,831	803,068	60.4	-143,059	1,003,888	697,063	312,906	101,917	12,037	4,088	1,471,890	756,709	51.4	23,247	1,448,643
Preferred Acci.	2,201,575	1,048,324	47.6	51,105	1,708,606	896,535	458,758	137,118	34,211	14,671	2,150,470	1,212,369	56.4	-330,902	2,481,372
Protective Indem.	148,752	80,315	54.6	-6,315	120,297	70,891	27,757	9,258	698	166	155,067	92,780	59.7	-21,317	176,384
Royal Indem.	5,158,212	2,650,935	51.3	-110,824	3,983,928	2,230,216	1,092,772	386,030	81,512	34,689	5,269,036	2,373,772	45.1	100,331	5,168,705
St. Paul Merc. Inde.	1,035,925	542,729	52.4	94,258	853,348	470,192	143,208	49,741	39,369	23,796	941,667	584,554	62.1	60,230	881,437
Sel. Risks Indem.	306,854	101,084	32.9	32,792	262,402	75,686	80,452	25,398	.....	.....	273,062	96,799	35.4	34,848	238,214
Standard Acci.	3,524,690	2,203,087	62.5	-1,080,930	2,559,496	1,909,327	884,774	256,153	80,420	37,607	4,605,620	3,084,530	67.1	-2,403,578	7,009,198
Standard Sur. & Cas.	1,031,509	408,091	39.5	80,296	781,161	333,166	239,599	69,044	10,749	5,881	951,213	272,301	28.6	357,015	594,198
Sun Indem.	2,853,959	1,344,308	47.1	352,687	2,182,238	1,101,031	637,097	218,031	34,624	25,246	2,501,272	1,069,788	42.7	276,067	2,225,205
Travelers	15,110,548	7,290,308	47.6	725,623	15,110,548	7,290,308	.....	.....	.....	.....	14,384,925	7,558,655	52.5	-1,565,811	15,950,736
Travelers Indem.	5,644,115	1,999,604	35.4	151,344	359,592	212,003	4,444,971	1,344,788	839,552	442,813	5,492,771	1,826,164	33.3	-958,231	6,451,002
U. S. Casualty	1,831,391	1,278,591	69.9	-170,985	1,386,978	1,099,839	422,378	169,930	9,822	2,002,376	1,628,761	81.2	-211,563	2,213,393	
U. S. F. & G.	8,260,498	4,906,980	59.4	245,822	6,109,164	4,114,101	1,892,174	640,696	259,100	122,183	8,014,676	4,663,967	58.2	-963,370	8,978,046
U. S. Guarantee	2,027,656	957,627	47.2	-299	1,593,726	719,297	424,462	134,307	9,468	4,023	2,027,955	1,085,359	54.2	-108,926	2,908,881
Universal Indem.	500,978	133,357	26.6	125,674	289,129	104,768	111,849	28,589	.....	.....	375,304	127,060	33.9	-11,454	386,758
Utilities, Mo.	399,113	169,378	42.4	54,364	244,605	123,960	101,718	31,686	30,953	12,817	344,749	110,006	31.9	-139,248	483,997
West. C. & S., Kan.	1,525,295	896,782	58.7	-9,894	1,060,014	688,804	434,745	185,954	28,617	21,105	1,535,189	905,311	59.8	61,878	1,473,311
West & Sou. Indem.	1,194,793	637,841	53.3	112,697	882,550	529,843	299,367	95,571	12,876	11,343	1,082,096	532,073	49.2	-37,096	1,119,192
Yorkshire Indem.	673,090	456,582	67.8	-164,201	508,319	384,426	161,137	67,141	3,633	5,015	837,290	402,121	47.9	43,922	793,368
Zurich	4,055,448	1,941,343	47.8	108,590	3,301,894	1,678,635	733,074	257,733	20,480	4,925	3,946,858	2,197,686	55.5	-314,445	4,261,303
Total, 1934	213,938,570	110,913,839	51.8	-647,708	163,541,127	93,068,188	46,122,470	15,653,932	4,246,187	2,189,966	214,586,278	109,295,393	50.9	-24,133,485	238,710,763
Total, 1933	213,938,570	110,913,839	51.8	-647,708	163,541,127	93,068,188	46,122,470	15,653,932	4,246,187	2,189,966	214,586,278	109,295,393	50.9	-24,133,485	238,710,763
Total, 1932	213,938,570	110,913,839	51.8	-647,708	163,541,127	93,068,188	46,122,470	15,653,932	4,246,187	2,189,966	214,586,278	109,295,393	50.9	-24,133,485	238,710,763

Total, 1934 213,938,570 110,913,839 51.8 -647,708 163,541,127 93,068,188 46,122,470 15,653,932 4,246,187 2,189,966 214,586,278 109,295,393 50.9 -24,133,485 238,710,763 130,731,739 54.7

*1933 and 1932 totals include companies that have since closed business.

†Columbia Casualty wrote and reinsured the following with the Ocean Accident: Auto Liab., \$827,358; Auto P. D., \$275,667; Auto Coll., \$16,368; Total Auto., \$1,119,394.

‡All business reinsured.

Full Coverage Companies Up 15 Percent

FULL coverage and specialty companies had a 15 percent gain in premium income in 1934 with a \$24,884,195 total, \$3,225,225 more than 1933's total of \$21,658,970. The loss ratio increased slightly, being 43.4 percent in 1934, 41.2 percent in 1933, and 46.2 percent in 1932. Losses last year totaled \$10,802,876 and in 1933, \$8,934,276. The full cover companies' fire premiums were about the same, theft premiums went up \$300,000 and liability showed a gain of \$1,355,339, property damage gained \$624,000 and collision \$500,000. The full cover companies had a loss ratio of 31.5 percent on property damage compared with 28.5 percent in 1933. The collision loss ratio was 57 percent in 1934 and 49 percent in 1933; liability 52 percent in 1934 and 47.7 percent in 1933. The fire loss ratio was 27 percent and 29 percent in 1933. Theft loss ratio was 37 percent and 55 percent the year before.

TEN FULL COVERAGE LEADERS

	1934		1933		Inc. in %
	Net Prem.	Paid Losses	Net Prem.	Paid Losses	
1. Pacific Indem.	\$2,954,843	\$1,248,985	\$2,589,704	\$365,139	14.1
2. Ohio Casualty	2,884,140	1,010,320	2,605,969	278,171	10.7
3. Trinity Universal	1,849,226	1,054,083	1,682,897	166,329	9.9
4. Amer. Fid. & Cas., Va.	1,788,538	1,140,953	1,471,770	316,768	21.5
5. Amer. States	1,045,759	351,159	715,802	329,957	46.0
6. Coml. Standard, Tex.	1,009,354	480,441	962,454	46,900	4.9
7. United Pacific	832,442	400,659	770,383	62,059	8.1
8. Allstate	829,921	221,618	657,816	172,105	26.1
9. Wolverine	791,781	292,982	562,243	229,538	40.9
10. Northwest Cas. Wash.	775,557	230,085	502,875	272,682	54.6

The Pacific Indemnity went into the lead of the full coverage companies with \$2,954,843, a gain of \$365,139 or 14.1 percent. The Ohio Casualty ranked second with \$2,884,140, with a 10.7 percent gain or \$278,171. The Trinity-Universal again came third with \$1,849,226, a gain of 9.9 percent. The American F

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MARSH AUTO BODY & FENDER WORKS

Gain of 16 Percent in Mutuals' 1934 Automobile Premium Volume

MUTUAL companies showed an increase of 16.5 percent in automobile premiums in 1934, with a total of \$74,224,242, or \$10,632,127 more than the 1933 total of \$63,592,115. The loss ratio showed an increase from 37.4 percent to 41.8 percent in 1934. Losses in 1934 totaled \$30,973,401 and \$23,882,774 in 1933. The Lumbermen's Mutual Casualty again led the mutuals with \$12,691,215, a gain of \$769,529 or 6.5 percent. The State Farm Mutual of Illinois came second with \$7,734,741, a 17 percent increase, or \$1,121,276. The Liberty Mutual of Massachusetts was again third with \$7,585,572, an increase of \$989,960, or 15 percent. The Hardware Mutual Casualty was fourth with \$4,354,522, a 22 percent gain or \$789,674. The State Automobile of Ohio went up from eighth to fifth place with a 30 percent gain, totaling \$3,016,006 or \$690,289 more than in 1933. The Fac-

TEN MUTUAL COMPANIES LEADERS

	1934		1933		Inc. or Dec.		%	
	Net	Paid	Net	Paid	Net	Paid	Net	Paid
	Prem.	Loss	Prem.	Loss	Prem.	Loss	Prem.	Loss
1. Lumb. M. Cas., Ill.	\$12,691,215	\$5,153,827	\$11,921,684	\$4,769,529	+\$769,529	+	6.5	
2. State Farm M., Ill.	7,734,741	4,900,322	6,613,465	4,121,276	+\$1,121,276	+	17	
3. Liberty Mt., Mass.	7,585,572	2,886,040	6,595,612	2,989,960	+\$989,960	+	15	
4. Hdw. Mut. Co., Wis.	4,354,522	1,366,934	3,564,848	789,674	+\$789,674	+	22.1	
5. State Auto., Ohio	3,016,006	1,231,893	2,325,717	690,289	+\$690,289	+	30	
6. Fact. M. Liab., R. I.	2,870,918	675,322	2,528,357	342,561	+\$342,561	+	13.5	
7. Am. M. Liab., Mass.	2,812,494	1,104,268	2,760,418	52,076	+\$52,076	+	1.9	
8. Mrch. M. Co., N.Y.	2,491,585	1,295,292	3,077,733	586,148	-\$586,148	-	19	
9. Utica Mut., N.Y.	2,174,132	828,893	1,907,721	266,202	+\$266,202	+	14	
10. Farm. Bu. M. Au., O.	1,984,366	873,874	1,656,452	327,914	+\$327,914	+	19.7	

tory Mutual Liability of Rhode Island moved up a notch to sixth place, with \$2,870,918 or 13.5 percent gain. The American Mutual Liability of Massa-

chusetts was in seventh place with \$2,812,494, a 1.9 percent gain. The Merchants Mutual Casualty of New York went from fifth to eighth place with

\$2,491,585 a 19 percent decrease. The Utica Mutual of New York which had \$2,174,132, again ranked in ninth place and experienced a 14 percent gain. The Farm Bureau Mutual Automobile of Ohio totaled \$1,984,366 with a 19.7 percent gain.

There were five other mutual companies in the \$1,000,000 class: The Auto Owners, Mich., with \$1,554,126; Michigan Mutual Liability, \$1,207,114; Automobile Mutual Indemnity, \$1,152,982; Harleysville Mutual, Pa., \$1,129,132, and the Central Mutual, Chicago, \$1,031,895. The Builders & Manufacturers Mutual of Illinois had a \$413,172 gain with \$831,342 total. The Central Mutual of Chicago had a \$392,296 gain, the Harleysville Mutual, Pa., gained \$341,890, and the Lake Shore Mutual increased \$219,593; Pennsylvania Threshers & Farmers Mutual Casualty had a \$199,631 gain.

Automobile Premiums and Losses of Mutual Companies

	1934				1933			
	Total	Net	Paid	Loss	Total	Net	Paid	Loss
	Prem.	Prem.	Losses	Ratio	Prem.	Prem.	Losses	Ratio
Abington Mutual.....	9,808	3,537	36	1.372	8,436	2,492	29.6	
Ace Mutual, Ia.....	47,612	4,583	9.6	45,040	2,571	48	1.9	
Allied Mut. Auto., Ia.	219,753	104,515	47.5	38,525	181,228	72,156	39.8	
Allied Mutual, Mo.....	6,446	464	7.2	.....	578	259	.....
Allied Amer. M. Auto.	184,209	31,342	17	26,046	158,163	41,112	25.9	
Amer. Farm. M., Minn.	5,248	3,965	75.5	184	5,432	2,865	52.7	
Amal. Mut. A., N. Y.	356,663	184,762	51.8	5,729	350,934	104,598	29.8	
Amer. Farm. M., Ia.	47,582	8,628	18.1	22,818	24,764	1,303	5.3	
Amer. Mut., Ia.....	3,349	660	19.7	204	3,144	1,603	51	
Amer. M. Liab., Mass.	2,812,494	1,104,268	39.2	52,076	2,760,418	979,575	35.4	
Autoist Mut., Ill.....	563,150	212,449	37.7	180,750	352,399	165,228	43.2	
Auto. Mut. Indem.....	1,152,982	609,958	52.9	299,355	853,627	389,005	45.6	
Auto. Mut., R. I.....	603,319	70,147	11.6	5,337	597,982	88,486	14.7	
Auto. Owners, Mich.	1,554,126	637,470	41	319,616	1,234,510	366,451	38.7	
Badger St. Cas., Wis.	18,012	5,824	32.3	2,774	15,238	4,524	29.6	
Beacon M. Indem., O.	107,140	25,264	23.5	59,222	47,918	6,145	12.8	
Berkshire Mut. Fire.	66,411	21,326	31.2	2,467	68,878	27,099	39.3	
Bldrs. & Mfrs. M., Ill.	831,342	317,876	38.2	413,172	418,170	73,600	17.7	
Burlington Mut.....	4,457	339	7.6	516	5,053	1,267	25	
Cambridge Mut., Mass.	21,700	5,696	26.2	5,123	16,577	3,812	23	
Capitol Mut. Cas., Ill.	76,492	23,261	30.4	19,619	56,873	11,703	21	
Capital, Neb.....	66,848	35,615	53.2	21,467	45,381	15,004	33.1	
Celina Mut. Cas., O.	214,535	87,584	40.8	22,826	191,709	106,796	55.7	
Cent. Mfrs. Mut., O.	443,863	143,714	32.38	32,430	476,293	163,135	34	
Cent. Mut. Cas., Mo.	106,284	45,308	42.6	35,719	70,565	27,981	39.6	
Cent. Mut. of Chicago	1,031,895	331,759	32.1	392,296	639,599	107,124	16.1	
Cent. M. Auto., Mich.	184,025	65,488	35.5	92,972	91,053	18,422	20.3	
Cent. States M., Ia.	33,295	11,826	32.5	1,462	31,833	8,250	25.9	
Checker M. Au., Mich.	109,163	56,002	51.3	2,220	106,943	29,909	28	
Chgo. Ice P. M., Ill.	27,002	3,672	14.3	786	26,216	11,494	43.7	
Cit. Mut. Auto., Mich.	671,338	357,477	53.2	121,939	549,599	233,097	42.4	
Cit. Mut., Mass.....	29,413	8,191	27.8	405	29,818	7,687	25.7	
Cook Co. Farm., Ill.	38,869	12,850	33	1,530	40,399	8,139	18.2	
Donegal & C. M., Pa.	2,739	273	9.9	287	2,452	242	9.4	
Dorchester M., Mass.	2,038	410	20.1	677	1,361	835	61.3	
Druggists Mut., Ia.	3,163	924	29.8	3,460	279	7,372	.....
Dwelling House, Neb.	3,409	1,147	33.6	1,257	2,152	674	32	
Egyptian Mut., Ill.....	26,554	8,050	30.3	4,882	21,672	4,464	20.6	
Elec. Mut. Liab.....	136,929	42,181	30.8	37,147	99,782	4,281	4.3	
Employ. Mut. Cas., Ia.	803,727	304,171	37.8	284,199	519,528	223,262	43	
Employ. M. Ind., Wis.	997,019	364,646	36.5	165,500	811,510	228,287	28.2	
Equity Mut., Mo.....	26,438	6,249	23.6	10,332	16,106	1,019	6.3	
Exch. M. Ind., N. Y.	400,927	155,449	38.7	13,335	240,462	180,462	43.5	
Facty M. Liab., R. I.	2,870,918	675,322	23.5	342,561	2,528,357	699,322	27.6	
Farm. Bu. M. Au., O.	1,984,366	873,874	44	327,914	1,129,132	681,186	41	
Farm. M. Auto., Wis.	381,432	136,111	35.6	79,655	301,777	136,979	45.3	
Farm. M. Hall A., Ia.	259,413	73,051	28.1	74,985	184,427	78,341	42.4	
Farm. & Mech., Md.	247	9	3.6	23	270	9	3.3	
Farm. M. Liab., Ind.	84,495	30,445	36	16,805	67,690	19,979	29.3	
Farm. Un. M., Ia.	50,879	17,172	33.7	7,651	43,228	17,939	41.5	
Federal Mut., Mass.	90,132	21,776	24.16	5,429	95,561	22,006	23	
Fid. Mut., Ind.....	37,668	17,569	41.3	7,786	29,882	13,228	44.2	
Fitchburg Mut., Mass.	70,277	19,266	27.4	9,693	19,970	24,607	30.7	
Franklin Mut., Ill.	86,170	40,206	46.6	22,284	63,886	15,672	24.6	
Franklin Mut., Ill.	93,946	16,312	17.3	222	174	2,600	.....
Glen Cove M., N. Y.	13,654	2,421	26.06	3,603	1,321	426	32.6	
Globe Mut., Mo.....	31,145	13,994	44.9	7,787	16,215	5,744	35.4	
Gr. Dir. Natl. M., Ind.	156,307	59,992	38.38	27,116	41,024	25,334	61.9	
Granite Mut., Vt.....	957	22	2.3	158	1,115	66	6	
Green Mt. Mut., Vt.	15,111	8,597	56	379	15,490	6,254	40.3	
Hampshire.....	8,048	3,940	48.9	.....	.....	.....	.....
Hdw. Dirs., Wis.....	157,545	42,500	26.9	11,923	145,622	46,483	31.8	
Hdw. Mut. Cas., Wis.	434,522	136,934	31.3	789,674	533,617	205,231	37.6	
Hdw. Mut. Fire, Minn.	162,549	39,391	24.6	1,044	356,312	169,750	47.6	
Harleysville Mut., Pa.	1,129,132	397,068	35.1	341,890	787,242	300,917	39.3	
Holyoke Mut., Mass.	107,483	30,507	28	2,840	104,643	26,905	26	
Home M., Broome Co.	2,757	111	4	766	3,523	2,396	68	
Home M. Ins. A., Ia.	432,076	205,226	47	100,541	533,617	205,231	37.6	
Ill. Agr. Mut.....	442,787	241,255	54.4	86,475	167,026	97,776	58.5	
Ill. Mutual.....	665	10	1.6	225	440	.....	.....
Impl. Dirs., N. Dak.	11,663	4,225	36.2	1,020	12,683	5,253	41.4	
Indiana Lumb. Mut.	64,674	18,398	28	24,250	40,424	12,371	30.9	
Interboro Mut., N. Y.	671,009	194,192	28.9	144,788	526,221	221,654	42.7	
Iowa Hdw. Mut.....	13,578	2,922	21.52	647	14,325	1,230	8.1	
Iowa M. Cas., DeWitt	81,815	34,861	42.6	7,303	74,512	21,643	29.1	
Iowa Mut., DeWitt...	11,425	4,349	38	87	11,512	3,221	28	

(CONTINUED ON NEXT PAGE)

	1934				1933													
	Total	Net	Paid	Loss	Total	Net	Paid	Loss										
	Prem.	Prem.	Losses	Ratio	Prem.	Prem.	Losses	Ratio										
Iowa Mut. Liab.	371,600	155,964	41.9	4,203	74,567*	21,250*	145,537	35,751	125,208	29,228	11,459	367,397	123,716	35.3				
Jamestown M., N. Y.	392,621	98,887	25.1	66,997	22,500*	288,128	75,165	100,475	22,197	4,015	4,522	325,624	98,229	30.2				
Lake Shore Mut., Ill.	471,561	357,949	75.8	219,593	.....	432,705	340,057	38,555	17,892	.....	.....	251,968	174,536	69.4			
Liberty Mut., Mass.	7,585,572	2,886,040	38	989,960	.....	6,024,061	2,401,002	1,513,189	458,230	47,422	26,805	6,595,612	2,297,427	34.8			
Lincoln M. Cas., Mich.	126,773	36,722	28.9	19,542	.....	.....	.....	.....	.....	.....	.....	107,331	26,443	24.6			
Lincoln Mut. Indem.	22,110	6,874	31	.....	1,065	560	1,735	684	10,179	2,833	6,366	2,177	1,934	601	.....	.....	.....
Lowell Mut., Mass.	7,277	1,572	21.6	2,015	7,277*	1,572*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lumber M. Cas., Ill.	12,691,315	5,153,827	40.6	769,623	.....	9,549,074	4,276,021	2,951,136	779,826	191,005	97,980	11,921,684	4,284,773	35.9			
Lumber M. Cas., N. Y.	186,350	156,859	83.6	11,098*	4,676*	132,095	131,451	51,637	24,756	2,518	652	204,929	31,885	44.8				
Lumber Mut., Mass.	11,908	4,676	38.9	3,413	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lumber Mut., O.	157,251	51,711	32.88	79,977	69,829	16,191	.....	.....	.....	.....	.....	77,274	26,147	33.8			
Lynn Mut., Mass.	29,413	8,191	27.5	406	.....	.....	.....	.....	.....	.....	.....	29,819	7,687	25.7			
Madison Co., Ill.	90,506	67,191	74.1	5,034	16,536*	4,325*	30,171	21,343	12,903	5,875	30,954	35,051	85,532	54,177	62.5			
Manhattan M., N. Y.	593,963	111,837	18.8	.....	.....	.....	593,963	111,837	368	.....	.....	.....	.....	.....	.....	.....	.....
Mfrs. & Mer., N. H.	16,166	2,717	16.8	1,418	16,166	2,717	.....	.....	.....	.....	.....	17,584	3,754	21.4			
Mer. & Farm., Mass.	17,148	4,676	27.2	2,631	.....	.....	.....	.....	.....	.....	.....	14,517	3,527	24.2			
Mer. & Mfrs. Mut., O.	7,750	2,372	30.5	676	1,397	242	1,125	634	.....	.....	.....	7,094	3,583	49.8			
Merch. M. Cas., N. Y.	2,491,583	1,295,292	52	586,148	.....	1,099,174	1,098,573	534,176	179,810	28,235	16,909	3,077,733	1,691,580	55.1			
Merrimack M., Mass.	67,686	17,300	25.5	2,587	.....	.....	.....	.....	.....	.....	.....	65,093	27,594	42.5			
Mich. Millers Mut.	11,465	4,061	35.5	3,361	5,456	2,560	3,700	484	.....	.....	.....	8,104	2,667	32.9			
Mich. Mut. Auto.	46,930	15,311	32.6	18,614	1,929	56	1,329	238	18,609	4,902	13,758	1,921	11,161	7,745	10,117	26.6		
Mich. Mut. Liab.	1,207,114	450,993	37.3	162,643	113,210*	32,076*	618,313	213,119	309,148	85,344	166,443	120,452	1,044,471	364,304	34.8			
Mich. Shoe Deal.	418	.....	.....	.....	243	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Middlesex, Mass.	136,536	38,363	.....	.....	.....	.....	.....	.....	.....	.....	.....	136,767	35,641	26.1			
Millers Mut., Ill.	16,058	5,932	36.9	4,487	4,540	1,213	4,639	1,211	.....	.....	.....	6,120	3,434	11,571	1,155	9.9	
Millers Mut., Tex.	16,987	4,070	23.9	4,783	6,758	1,400	4,832	2,050	.....	.....	.....	12,204	2,648	21.7			
Mill Owners Mut., Ia.	4,686	566	12	3,422	.....	.....	.....	.....	.....	.....	.....	1,264	548	43.3			
Milwaukee Auto.	497,459	251,032	50	70,007	24,332	3,655	12,548	5,173	313,897	190,903	136,423	44,796	8,257	5,820	437,452	183,634	43.1	
Minn. Farm. Mut.	77,901	36,751	47.1	21,645	13,057*	4,135*	38,599	22,958	18,287	4,605	7,958	5,052	56,256	32,009	57	.....	.....
Minn. Imp. Mut.	159,880	39,866	24.9	21,531	.....	.....	.....	.....	.....	.....	.....	138,349	45,222	32.7			
Missouri Cas.	31,403	13,650	43.5	4,296	660	5	1,274	189	19,195	11,789	9,934	1,656	35,521	10,030	28.2			
Motorists Mut., Ohio	245,123	83,923	34.2	39,927	33,186*	6,488*	129,991	51,135	59,452	16,275	22,377	10,018	206,196	70,945	34.4			
Mut. A., Herman, Wis.	34,254	12,290	35.8	1,132	1,385	389	1,366	137	16,640	8,024	13,087	2,890	33,122	12,730	38.2			
Mutual Cas., N. Y.	13,645	3,968	29	2,393	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mut. P., Bel Air, Md.	19,451	6,084	31.8	2,241	8,613	1,279	4,504	1,313	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mutual Fire, Me.	15,684	7,444	47.5	11,175	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mut. Prot., Mass.	361	336	93	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nat. Grange M., N. H.	567,042	116,388	20.5	66,361	.....	.....	.....	.....	413,909	93,311	150,779	22,283	2,294	794	500,691	137,628	27.2
Natl. Mut., Ohio.	7,299	1,191	16.3	1,385	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Natl. Retail Mut., Ill.	341,891	90,019	26.3	62,358	109,956	19,552	177,499	33,389	2,730	22,223	46,239	12,470	404,249	94,983	23.4
Natl. Und. Mut., D. C.	9,812	4,726	48.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
N. Y. Cent. Mut.	4,837	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
N. W. Mut., Wash.	283,378	81,598	28.9	24,581	61,451	11,311	46,102	13,355	108,789	27,629	65,142	29,141	257,797	73,720	15.6
Norfolk Mut., Mass.	1,155	305	27	396	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ohio Hdw. Mut.	8,471	2,228	26.3	5,282	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ohio Und. Mut.	8,384	3,720	44.37	1,034	2,693	1,377	1,558	193	252	286	3,633	1,359	9,418	4,979	53
Oneida Co-op., N. Y.	574	39	6.7	261	392	39	182	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oregon Mutual	14,361	4,422	30.7	6,136	4,630	1,566	6,945	688	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pawtucket Mut.	138,796	40,876	29.4	13,189	53,335	10,626	42,832	8,182	14,212	4,309	28,397	17,759	125,607	30,782	24.5
Pa. Lumb. Mut.	128,312	77,722	60.5	86,144	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pa. Thr. & Far. M. C.	479,464	128,097	26.7	199,631	.....	.....	.....	.....	319,622	85,355	129,843	42,420	.....	.....	279,833	45,119	16.1
Phenix Mut., N. H.	12,932	2,177	16.8	1,136	12,932*	2,177*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pioneer Co-op., N. Y.	1,356	137	10.1	1,090	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Preferred Class. Mut.	148,007	80,836	41.1	3,065	2,318*	222*	145,659	60,614	.....	.....	.....	.....	.....	.....	.....	.....	.....
Preferred Mut., N. Y.	28,997	12,841	44	1,458	16,975	4,242	5,611	2,093	1,365	218	5,046	6,284	30,455	12,859	42.2
Protective Fire	3,009	470	15.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Public Serv. M., N. Y.	585,313	301,294	51.4	141,127	.....	.....	.....	.....	585,313	301,294	.....	.....	.....	.....	.....	.....	.....
Quincy Mut., Mass.	60,445	14,007	23	4,652	60,445	14,007	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Red Cab Mut., N. Y.	406,829	308,491	73.3	21,535	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
R. I. Mut. Liab.	64,066	10,130	15.8	1,904	1,463	1,837	1,723	64	44,439	5,492	16,090	2,737	342	.....	65,970	11,018	16.8
Salem Mut., Mass.	1,872	452	24.1	8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Seaboard M. Cas., Pa.	45,159	14,672	32.4	39,377	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Security M. Cas., Ill.	303,914	146,420	48.1	60,813	.....	.....	.....	.....	285,119	141,070	18,677	5,350	.....	.....	243,101	124,581	51.2
Serv. M. Liab., Mass.	118,835	85,841	72.2	.....	.....	.....	.....	.....	98,067	73,965	20,637	11,876	131	.....	.....	.....	.....
Shelby M. Pl. Gl. & C.	383,433	134,701	35.5	119,565	.....	.....	.....	.....	272,664	101,545	107,292	31,085	3,477	2,071	263,888	94,688	35.9
Standard M. Cas., Ill.	58,580	29,129	49.7	2,236	.....	.....	.....	.....	33,579	20,767	18,081	4,525	6,920	3,837	56,344	32,220	57.3
State Auto., Ohio	3,016,006	1,234,893	40.8	690,289	179,451	39,397	182,294	49,550	1,705,134	717,379	590,168	232,428	309,324	179,779	2,325,717	1,098,468	47.2	
State Farm. M., Ill.	7,734,741	4,900,322	63.3	1,121,276	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,613,465	2,768,912	40.5
Sterling Fire, N. Y.	3,137	1,142	36.4	148	1,957	43	1,035	1,099	.....	.....	.....	.....	.....	.....	2,989	379	13.4
Thomp. Co. Co-op., N. Y.	500	1,370	27.4	136	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,932	3,080	105.1
Trad. & Mech., Mass.	2,660	749	28.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Union Fire, Neb.	25,404	5,213	20.5	.....	14,498*	2,460*	.....	.....	1,638	306	3,855	217	5,411	2,230	.....	.....	.....
Union Mut., Vt.	11,958	3,823	41	509	7,059	3,359	4,899	464	.....	.....	.....	.....	.....	.....	12,467	3,377	27
Union Mut. Cas., Ia.	10,402	1,024	9.8	.....	2,480*	371*	.....	.....	4,500	186	2,274	215	939	211	.....	.....	.....
United Mut., Mass.	442,610	87,571	20	38,463	180,735	31,759	167,607	24,872	.....	.....	.....	.....	94,268	27,910	404,147	87,823	21.7
U. S. Mut. Liab.	39,644	11,890	29.9	.....	.....	.....	.....	.....	39,644	11,890	.....	.....	.....	.....	40,643	6,587	16.5
U. S. Mut., Ill.	149,359	69,141	46.3	39,136	23,891*	5,239*	71,473	49,068	52,367	14,544	1,528	288	110,123	59,643	51.1	.....	.....
Utica Fire																		

Gain of 9% for Reciprocals — Lloyds

RECIPROCALLS and Lloyds recorded a 9.7 percent gain in automobile premiums in 1934 with a total of \$17,821,921, which is \$1,574,322 more than the 1933 aggregate of \$16,247,598. Losses of \$7,180,982 represented a slight improvement over 1933 experience, last year's loss ratio being 40.2 percent and 1933's, 42 percent, while the 1932 ratio was 50.1 percent. The ranking of the leaders shows a decided change from last year. The Chicago Motor Club went from first to fifth place in 1934, with a \$494,342 decrease or 21.8 percent. The State Auto of Indiana went from fourth to first place in 1934 with a gain of \$713,612, or 43.7 percent, with a total of \$2,347,713. The Farmers Automobile Exchange of California went up from fifth

TEN RECIPROCALLS AND LLOYDS LEADERS

	1934		1933		Inc. or Dec.		%
	Net	Paid	Net	Paid	Net	Loss	
	Prem.	Loss	Prem.	Loss	Prem.	Loss	
1. State Auto. Assn. Ind.	\$2,347,713	\$971,061	\$1,634,101	\$713,612	+\$713,612	+	43.7
2. Frm. Au. It. In. Ex. Cal.	2,138,566	942,330	1,586,908	551,658	+\$551,658	+	34.8
3. Int. Ex. A. Cl. S. Cal.	1,942,783	731,961	2,110,941	168,158	-\$168,158	-	8.0
4. Detroit Auto. Exch.	1,939,834	950,391	1,960,067	20,233	-\$20,233	-	1.4
5. Int. Ex. Chi. Mot. Club	1,775,979	671,999	2,270,321	494,342	-\$494,342	-	21.8
6. Calif. St. Auto. Assn.	913,993	359,372	929,821	15,828	-\$15,828	-	1.7
7. Cas. Recip. Ex. Mo.	783,999	282,049	466,945	317,054	+\$317,054	+	68.
8. United Serv. A. Tex.	773,182	239,994	729,915	43,267	+\$43,267	+	6.0
9. Chicago Lloyds	628,663	323,393	530,423	98,240	+\$98,240	+	18.4
10. Und. Lloyds, Minn.	612,586	285,459	561,323	51,263	+\$51,263	+	9.1

place to second place in 1934, with a total of \$2,138,566, a gain of \$551,658 or 34.8 percent. The Auto Club of Southern California ranked third with \$1,942,783, a decrease of 8 percent, followed by the Detroit Automobile Exchange with \$1,939,834, a 1.4 percent decrease. The California State Automobile Association was sixth with \$913,993, a 1.7 percent decrease. The Casualty Reciprocal Exchange of Missouri showed a large increase of \$317,054, or 68 percent, a total of \$783,999. The United Service Automobile of Texas ranked eighth with \$773,182, a 6 percent gain, followed by the Chicago Lloyds with \$628,663, an 18.4 percent gain. The Lloyds of Minneapolis ranked tenth with \$612,586, a gain of 9 percent. Lloyds America, Texas, showed a substantial gain of \$244,186 with a \$373,193 total. The Motor Indemnity of Indiana had \$141,168 gain. The figures by lines are given below:

Automobile Premiums and Losses of Reciprocals and Lloyds

	1934				1933			
	Total	Net	Paid	Loss	Total	Net	Paid	Loss
	Prem.	Prem.	Losses	Ratio	Prem.	Prem.	Losses	Ratio
Auto. Ind. Ex. Calif.	31,316	20,027	63.9	—	302	17,436*	2,484*	—
Calif. Cas. Indem. Ex.	286,375	82,399	31	7.555	—	—	—	—
Calif. St. Auto. Assn.	913,993	359,372	39.2	—15,828	—	—	—	—
Cas. Recip. Ex. Mo.	783,999	282,049	35.9	317,054	—	—	—	—
Chicago Lloyds	628,663	323,393	51.44	98,240	22,702	7,136	62,907	22,949
Consolidated Und. Mo.	—	—	—	—	—	—	—	—
Detroit Auto. Exch.	1,939,834	950,391	48.9	—20,233	53,082	26,585	162,643	56,561
Erie Ins. Exch. Pa.	303,670	111,075	36.5	77,140	21,003*	7,981*	187,073	70,376
Farmers Auto. A. Ill.	217,543	79,940	36.7	31,430	20,888	2,848	21,280	4,737
Far. A. Int. I. Ex. Cal.	2,138,566	942,330	44	551,658	227,928*	41,845*	1,120,921	518,405
Ft. Worth Lloyds	39,174	10,270	26.7	11,361	16,604	2,018	11,735	4,662
Genl. Indem. Ex. Mo.	73,272	34,424	46.9	—3,078	5,575*	3,373*	50,652	27,329
Gibraltar Cas. A. Cal.	170,463	47,731	28	—2,160	15,895*	2,432**	105,980	29,229
Govnt. Employ. Und.	3,680	99	2.7	—	1,722	—	663	—
Growers Auto. A. Ind.	10,704	6,069	56.7	—382	—	—	2,624	1,129
Int. Ex. A. Cl. S. Cal.	1,942,783	731,961	37.6	—168,158	396,650*	78,815*	—	—
Int. Ex. Chi. Mot. Club	1,775,979	671,999	37.8	—494,342	46,729	11,910	267,222	52,660
Int. Ins. Auto. Cl. Mo.	486,562	163,982	33.7	43,412	19,223	3,356	335,564	122,396
Iroquois Au. Und. Ill.	277,450	113,268	40.8	12,084	—	—	—	—
Lloyds America, Tex.	373,193	112,471	30.1	244,186	—	—	—	—
Mfrs. & Whol. Colo.	167,606	47,770	28.5	1,085	10,656	5,036	8,176	2,984
Midwest A. Und. Ill.	155,062	37,369	24	9,342	23,614*	5,229*	11,127	12,853
Motor Indem. Ind.	451,928	192,974	42.7	141,168	106,001	43,712	305,286	117,380
Natl. Au. Own. Mich.	23,216	6,874	29.6	1,097	—	—	—	—
Natl. Indem. Ex. Mo.	18,950	2,917	—	—	—	—	—	—
Old Line A. Ins. Ind.	8,477	3,652	43	—5,633	—	—	4,097	1,584
Prairie St. Farm. Ill.	7,018	2,342	33.3	959	699	700	2,045	806
State Auto. Assn. Ia.	509,720	258,079	45.2	96,930	27,451	9,119	227,919	135,671
State Auto. Assn. Ind.	2,347,713	971,061	41.3	713,612	171,826*	53,687*	1,093,412	397,631
Superior Ind. Assn. Cal.	89,750	33,293	37	17,216*	3,381*	—	—	—
Und. Lloyds, Minn.	612,586	285,459	46.5	51,263	44,127	14,831	43,409	20,134
Union Auto. Ind. Ill.	199,485	54,948	27.5	—5,710	13,109	3,157	14,537	4,419
United Serv. A. Tex.	773,182	239,994	31	43,267	47,529	7,724	61,263	14,478
Total	17,821,921	7,180,982	40.2	1,574,323	1,327,066	336,659	1,028,131	816,287
1933 total	16,247,598	7,180,982	44.2	1,574,323	1,327,066	336,659	1,028,131	816,287
*Includes theft.								
†Figures not segregated by lines.								
**Includes theft and other auto.								

Learning from Adversaries in Auto Insurance Selling

(CONTINUED FROM PAGE 3)

have worked out a sales presentation and have then gotten men into the field to make the sales presentations, and that is in the end probably the only reason why such a large volume is being written. Too many times the assumption is that there must be some kind of a special deal or a cut rate, or perhaps a rebate to the customer, or some exceptionally broad coverage that nobody else will give. Investigation usually proves that while there may be something of the sort, it is only a small part of the whole deal, and that fundamentally the business is being secured because it is being aggressively solicited.

Some of the most successful automobile companies have men traveling through one state after the other. When they get into a town they go up one street and down the other, working both sides, ringing door bell after door bell, and in every way going out after business in a determined and aggressive manner. Such men never fail to take a certain amount of premiums out of every town they go to, and yet the very local agents who complain about them are not willing to follow the same methods, which in the end are the only

methods that get the business and keep it.

All of this is being pointed out not in a destructive way, or as an exhortation of local agents as a class, but principally to show that all local agents have to do if they want to improve their automobile premiums, is to commence operating on the same basis that has been proven so successful by the spe-

cialty automobile companies. It is all a question of putting in a lot of time, canvassing and soliciting, which are only other names for selling. The men that these specialty companies have out in the field ringing door bells, are no more intelligent or capable than the average local agent. They have simply learned that the way to sell policies is to see people, to see a lot of them, to

expose themselves to the possibility of getting an order and to keep on doing this day after day. They have learned that an insurance agent is really an insurance salesman, that the insurance salesman has nothing to be ashamed of because he is a salesman, and that the best salesman is the one that week in and week out gets the most sales interviews.

Casualty Underwriting Results

Stock and mutual casualty companies licensed in New York state reported the following experience for 1934 and 1933 to the state insurance department:

	1934		1933		1932		1931	
	Earned	Loss	Earned	Loss	Earned	Loss	Earned	Loss
	Premiums	Ratios	Premiums	Ratios	Premiums	Ratios	Premiums	Ratios
Stock	\$147,396,961	54.4	\$141,280,437	58.7	\$137,396,961	47.1	\$137,396,961	47.1
Mutual	27,056,033	46.	30,271,836	53.3	27,056,033	33.8	27,056,033	32.1
Total	\$174,452,994	53.1	\$171,552,273	57.7	\$164,452,994	45.1	\$164,452,994	45.1
Stock	\$43,558,001	29.8	\$41,631,268	32.9	\$43,558,001	21.3	\$43,558,001	17.7
Mutual	7,542,934	25.3	8,051,532	29.2	7,542,934	21.3	7,542,934	17.7
Total	\$51,100,935	29.1	\$49,732,800	32.3	\$51,100,935	21.3	\$51,100,935	21.3
Stock	\$4,961,222	38.8	\$4,038,696	49.2	\$4,961,222	13.6	\$4,961,222	2.1
Mutual	726,219	34.	704,186	47.4	726,219	25.8	726,219	25.8
Total	\$5,687,441	38.2	\$4,742,882	48.9	\$5,687,441	17.	\$5,687,441	5.6
Stock	\$195,916,184	48.5	\$187,000,401	52.8	\$195,916,184	3.9	\$195,916,184	—9
Mutual	35,325,186	41.3	39,277,554	48.2	35,325,186	25.1	35,325,186	19.6
Total	\$231,241,370	47.4	\$226,277,955	52.0	\$231,241,370	7.1	\$231,241,370	2.6

Capacity of Agency Force Should Be Ably Employed

(CONTINUED FROM PAGE 20)

others. Many risks of this type involve problems and hazards of such unusual character that home office underwriters and field men are perplexed by them. An underwriting pool, equipped to give intensive study to the special problems involved, should relieve the strain on company underwriters and result in a more satisfactory means of coping with the demand for dependable coverage.

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● Three were hurt, one probably fatally, in this spectacular crash at Westbury, Long Island. The new 1935 model in the foreground is badly damaged, making a substantial dent in the owner's \$700 investment. The owner of the rattle-trap, which has snorted its last unless a miracle is performed, probably didn't carry any property damage insurance so if he was at fault the new car driver will have to foot his own repair bill unless he had collision insurance. Adequate insurance takes care of the costly hospital and repair bills. Check today on this.—Acme photo.



● \$100,000 for a leg. That's what a Bronx county, New York, jury awarded this 12-year-old boy who was struck by a car when he was coasting on a hilly street. Children take foolhardy chances in playing and running out into the street and even the most careful of drivers may hit them. . . . Close your eyes, imagine a jury sitting in the court room and a crippled child hobbling in . . . an eloquent lawyer with pathos in his voice telling a sympathetic jury "and this poor lad will go through life. . . ." The answer is don't rely on \$5/\$10,000 automobile liability limits, the extra premium on a \$10/\$20,000 or a \$20/\$50,000 is small. Increase your limits today.—Acme photo.

\$62,500 DAMAGE AWARD IS UPHELD

Los Banos Farmer Will Get Money From Company For Injuries

One of the largest damage awards ever made by a California jury involving automobile accident injuries was affirmed today by the third district court of appeal. By the decision, Rudolf Lindemann, a Los Banos farmer, will receive \$62,500 from the San Joaquin Cotton Oil Company and Thomas Ewing, its district manager. Verdict Is Appealed. The appeal was taken from the award of the jury in the Merced County Superior Court principally on the ground that the verdict was excessive. Lindemann SACRAMENTO CALIF. merous t DEE

CRASH DAMAGE SET AT \$17,500

OSHKOSH, Wis., Feb. 6.—(Special)—Eugene Lallement, Neenah, was awarded approximately \$17,500 damages for injuries suffered by him in an accident suffered by him involving a collision of his car and a street car. he slept best on street cars.

Widow Awarded \$10,000 for Crash

Portland, Me., Dec. 15 (AP)—Mrs. Eva M. Grant, widow of James A. Grant, of Portland, today was awarded \$10,000 by three justices of the Supreme Court in her suit.

\$12,300 AWARDED IN DAMAGE SUIT

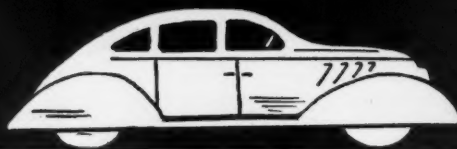
Mount Vernon Man Loses Action Over Auto Accident

(Special To The Daily Argus) WHITE PLAINS, Feb. 11. — A Supreme Court jury today awarded a \$12,300 verdict to Robert W. . . . sixty-two-year-old brick-

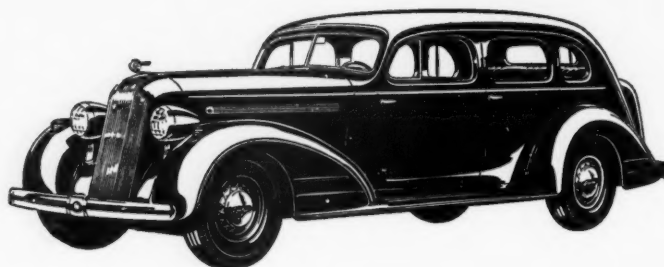
● From Maine to California liberal injuries in automobile accident cases are demonstrating that not only is automobile liability insurance an absolute necessity but that the average \$5/\$10,000 policy is inadequate. Check on your protection today.

● Getting caught in a hail storm in your automobile can be an expensive matter unless you have insurance covering such damage. The top of this car was ruined in a San Antonio, Tex., storm. Protection against damage caused by tornado, cyclone, windstorm, hail, earthquake, explosion and water damage costs only a few cents per \$100 of value extra. Check on this coverage today.





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